

Caring for quality of life



**Annual
report 2022**

Universal registration document

aedifica
housing with care

Caring for
quality of life

This is
Aedifica

Strategy &
value creation

Business
review



Caring for quality of life

As a developer and investor in healthcare real estate, Aedifica wants to offer buildings that are sustainable and futureproof without losing sight of what matters most to us: the end user's quality of life. And that includes both the care client and the care staff. Our aim is to give people the space to receive care in the way they prefer and to make it as easy and pleasant as possible to provide that care.

In our buildings, there are several aspects that contribute to the quality of life of the user. So who better to talk about this than a few people who themselves live, work or maintain our buildings day in, day out? Jef, Sara, Martin, Saksia, Arto, Niko and Marloes explain it to you in their own words.

Healthcare real estate, it seems, needs first and foremost to be a safe home that offers people security and enables them to live as independently and with as much dignity as possible, giving them the space to 'do their own thing'. The location, design and layout of the building have a major influence on this, but innovative technology also plays a key role.

Reading the stories, I am also struck by how much our care properties are meeting places that create connections. Both between residents and care staff and with the local community in which the building is located. That sense of connection is vital for people's well-being. As a property owner, we contribute to this by offering concepts that respond to that social aspect. Pleasant communal living areas have an impact, but equally, opening up the care facility's restaurant can create engagement with the local community.

These are just a few examples of how our expertise in healthcare real estate can make a difference to the residents of our buildings and the staff who work there.

I would like to thank our seven experts by experience for bringing their stories here. I hope that through their stories you will get a better idea of the added value to society that we create at Aedifica.

Stefaan Gielens,
CEO

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Our aim is to give people the space to receive care in the way they prefer and to make it as easy as possible to provide that care.

Stefaan Gielens,
CEO

Growing old actively in a safe and secure environment



“

Social cohesion has a very significant impact on the quality of life of residents, staff and the whole neighbourhood.

Sara Van de Weyer,
care home manager

“

What is more wonderful than being able to do my own thing every day in a safe and homely environment?

Jozef Lemmens,
resident

Jozef Lemmens (78), 'just call me Jef', is a happy man. That is the conclusion he draws involuntarily himself as a resident of the recently extended care home 't Spelthof in Lubbeek, Belgium. 'I like being here, I have a room with a view to nature, I have people around me, I can do my chit-chat every day and I enjoy the good food.'

A new kitchen

'I have a great life here,' Jef says with a broad smile. 'Every day starts with looking outside from my bed, at the green surroundings and the light coming in.' After breakfast, Jef picks up the mail and carries it around while chatting with other residents. Then he checks his pluviometer and feeds old bread to the ducks in the pond. 'Since the renovation, we have our own kitchen, which is quite an improvement,' says Jef. The cook will later add that people have been eating more since then. Food is an important aspect for the residents: 'We even have a dining committee that has a say in the menu,' Jef reveals. 'The freshly prepared chicken soup is the speciality of the house.'

Connection

'Actually, every day here is exciting, there are always activities.' Then Jef gets serious for a moment. 'How would I describe what quality of life means to me? Being connected to people. Not being alone, that's already a lot. Homeliness and cosiness, that's what I like. And being able to grow old actively in a safe and secure environment, to move freely, to do my own thing and to enjoy myself for at least another 10 years.'

't Spelthof - Binkom (BE)



Comprehensive renovation project for enhanced well-being

'The quality of life of the residents of a care home can improve significantly by smartly renovating the building and its surroundings.' So says Sara Van de Weyer, the new manager of 't Spelthof, where she was head of care until recently.

The renovation included upgrading the existing building and expanding from 80 to 125 rooms, installing an in-house kitchen with freshly prepared rather than delivered meals, more outdoor terrace and more car parking. The new wing lets in plenty of light; in the old one, partition walls were removed and the rooms are larger. The fixed carpet has been replaced everywhere by a hygienic and easy-to-maintain linoleum on which service trolleys also roll much more easily.

Sara Van de Weyer: 'There are more lounges where people can meet, knit, read or watch TV. Restructuring per ward provides more storage space nearby, so less time is lost fetching linen or cleaning supplies. There are improved nursing stations and care staff can now use an interactive registration system to quickly tick off all care tasks in the room itself.'

Inclusiveness

The care offer is becoming more varied. That is why Sara is working on a partnership with a nearby psychiatry service to offer that specialised care as well. For Sara, this is part of an increasingly inclusive social project. For instance, she also dreams of a restaurant where anyone can come and eat with the residents or order a meal to take home after a working day. In this way, the residential care home will also become a community hub. Sara: 'Social cohesion has a very big impact on the quality of life of the residents, the staff and the whole neighbourhood.'

Sara Van de Weyer



Better quality of life thanks to renovation and technology

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Aedifica's expertise unburdened us in upgrading our building. This is well-being for the care staff, who can focus more on providing care to improve the quality of life of our residents.

Saskia Gentenaar,
caregiver

“

The key contribution of infrastructure to the well-being of our residents is that it allows them to continue their habits while experiencing maximum freedom.

Martin de Gier,
care home manager

Together, they have 43 years of experience on the counter, Martin de Gier as manager of the newly renovated De Merenhoef care home in Maarssen, the Netherlands, and Saskia Gentenaar, formerly in charge of care planning, and now pharmacy manager.

Comprehensive makeover

In 2020, De Merenhoef was thoroughly renovated, resulting in a state-of-the-art care facility. 'The building was adapted to all new legal obligations and made futureproof again, but we also had an eye for how our residents, caregivers and the neighbourhood can meet each other,' says Martin de Gier.

What did the care home's makeover entail? More spacious rooms, but also larger bathrooms with higher toilets. And further: handholds, no more doorsteps, wider doors and, above all, more living rooms where people can meet in groups of ten.

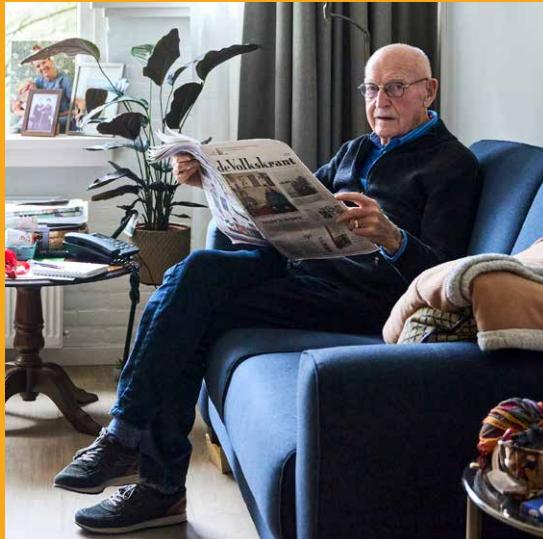
'Such a living room is a meeting place, but still small-scale, as it also has a kitchen that is used for the more intimate moment of dinner. Lunch is served for the residents in the large restaurant, where neighbourhood residents are also welcome,' says Martin. 'Also, our corridors are now air-conditioned and we now have our own physiotherapy room. Previously, residents had to go to town for that. We now also have our own pharmacy with emergency supplies.'

Smart home

'The key contribution of infrastructure to the well-being of our residents is that it allows them to continue their habits. We have an open building, where our people can move freely. That is important to feel good and free,' Martin explains. 'We are constantly looking for how to offer our residents as much autonomy and freedom as possible. That always requires customisation.' Therefore, all residents are given a wristband with a personalised chip that indicates where residents can go according to their care needs. Should a person with dementia try to leave the building, caregivers can intervene immediately. There are also smart sensors in the rooms that indicate during the night shift when someone falls out of bed.

Eliminating worries to provide better care

'Our core mission is to care for and monitor the well-being of our residents,' says Saskia Gentenaar. 'Aedifica's expertise unburdened us in upgrading the building so that we could continue to concentrate on what is important to us: providing quality care. Quick response in case of heating or lighting malfunctions that are identified via a remote monitoring system also takes worries out of our hands. So all we have to do is screw in new lights!' Saskia calls this 'well-being for care staff'. 'This allows us to get more involved in providing care to improve our residents' quality of life.'



Resident of De Merenhoef

De Merenhoef -
Maarsen (NL)

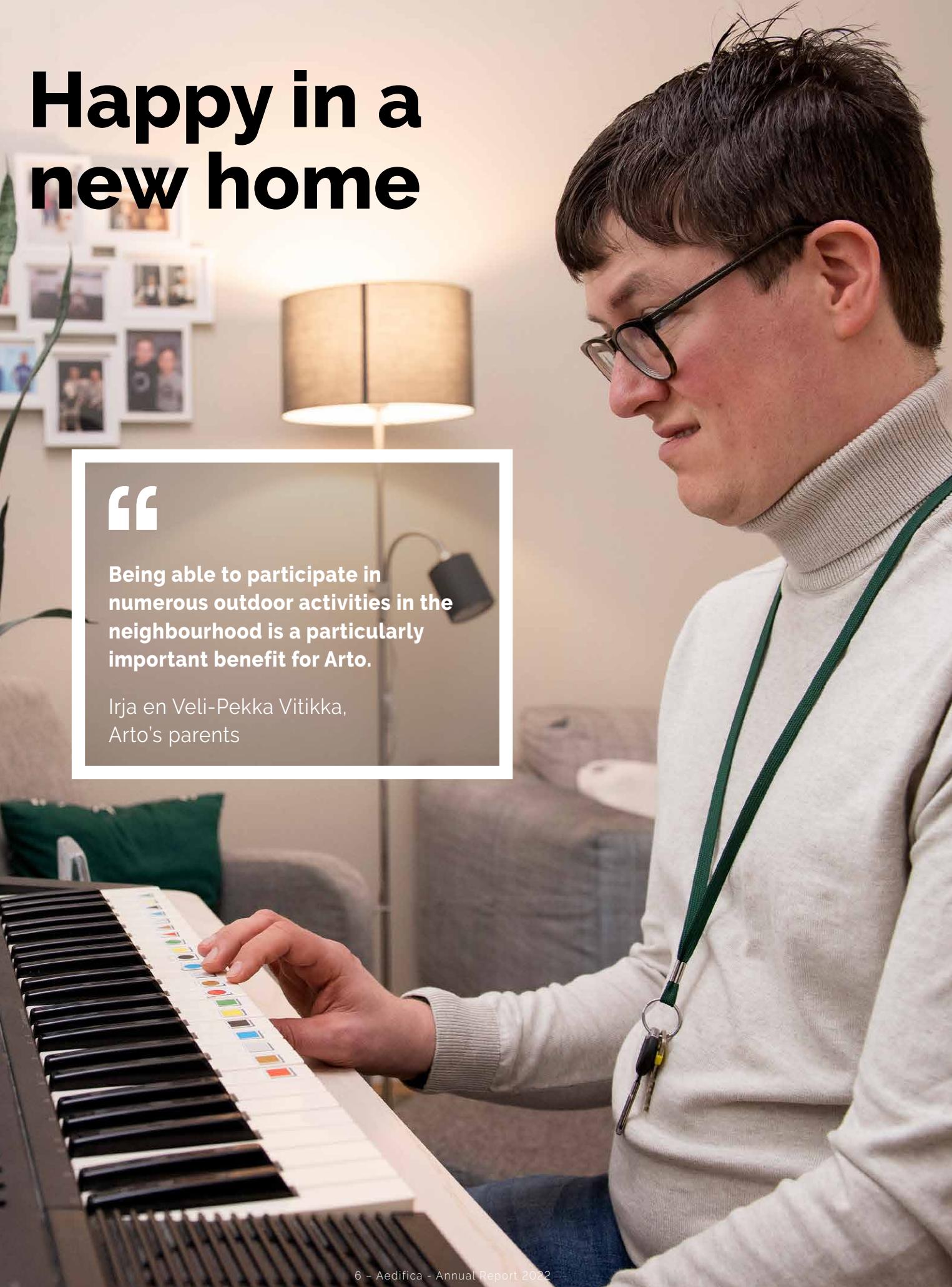


Happy in a new home

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**Being able to participate in
numerous outdoor activities in the
neighbourhood is a particularly
important benefit for Arto.**

Irja en Veli-Pekka Vitikka,
Arto's parents



Arto and his parents



When people with care needs move to a residential care centre, they expect to find there - and rightfully so - a new home that allows them to live their lives as they want and are used to. In Malminkartano, near the Finnish capital Helsinki, Aedifica subsidiary Hoivatilat has built such a new home. In December 2022, it opened Tukena Tähtiomena, a new service community for the elderly, children and people with a disability.

A new yet familiar place

One of the first residents is 32-year-old Arto Vitikka. He moved to Malminkartano from another group home. When Arto could finally move in, a broad smile appeared on his face, clearly showing the enthusiasm that he himself could not express in words.

Both the interior design of his own room and the communal areas met with approval. Arto enjoyed moving to a brand-new room in a stylish building where other young people also live. His own cosy living space, well-equipped and spacious, which also offers his

own homely kitchen, which Arto did not have before. Moreover, while there is enough privacy, there are also sufficient facilities for the young people to seek each other's company if they wish. The space was designed so that residents can shape their lives as much as possible as they are used to, according to their own tastes and habits.

Arto's new home is located in familiar surroundings. He has grown up in Malminkartano since he was 10, and nearby Piianpuisto was his favourite place to play. His parents now live just a few kilometres away, making it easy for them to surprise Arto with visits and pastries.

Being able to do his own thing

Hiking is Arto's greatest passion. He also receives a lot of encouragement from his new home to keep busy with his familiar hobbies: nature club and music school. Being able to participate in numerous outdoor activities in the neighbourhood is a particularly important benefit for him. As such, high-quality care is combined with an independent and fulfilling life in a safe and protected environment.

Smart technology

Innovative technological tools enable residents to live as independently as possible, but also provide support in terms of safety, mobility and communication. For example, while respecting privacy, the cloud-based remote control room reports residents' follow-up alerts 24/7 and regulates ventilation, heating, lighting, etc. This means residents and care staff do not have to worry about these issues.

'Safety and comfort are key, and with this we make the daily lives of residents and tenants, as well as property maintenance easier and more enjoyable,' says Niko Myntinnen, who has been Asset Manager at the Finnish Hoivatilat team since 2017.

Niko Myntinnen

“

Safety and comfort are key, making the daily lives of care home residents and tenants, as well as property maintenance easier and more enjoyable.

Niko Myntinnen,
asset manager



Aedifica's expertise benefits our tenants



“

Residents of care facilities need to feel at home, they want to retain control over their lives and receive support when needed. Creating the ideal framework for this through tailored buildings is Aedifica's core business.

Marloes Kampinga,
asset manager

How does healthcare real estate contribute to maximising quality of life for residents and increasing well-being and efficiency for care staff? Or as Marloes Kampinga, Asset Manager of Aedifica's building portfolio in the Netherlands, puts it more sharply: 'What do our tenants need to provide quality care and quality of life to their residents?'

Residents of care facilities need to feel at home, they want to retain control over their lives and receive support when needed. Creating the ideal framework for this through tailored buildings is Aedifica's core business.

Experience and expertise

'Aedifica contributes a lot during the construction and development process,' says Marloes. 'Thanks to our experience and expertise and our long-term relationships with various tenants, we know what works well and what does not. We can share that knowledge with tenants for whom it is the first (new construction) site or with tenants who are experts in care but not in real estate.'

Some examples

Marloes puts it more concretely. 'For example, we have suggested tenants to install awnings, which would make indoor spaces cooler and bring down air-conditioning costs.'

Sometimes small details can also make a big difference: 'Black toilet seats are highly visible and recognisable for people with impaired vision or with cognitive problems such as dementia. This makes it easier to estimate the distance to the toilet, for example. Contrast offers help, we learned from a tenant.'

'The shower tap is better not placed under the shower head,' Marloes continues. 'A nurse is often the one who operates the shower tap. If the tap then hangs under the shower head, the nurse will also get wet while

Villa Horst en Berg
- Soest (NL)

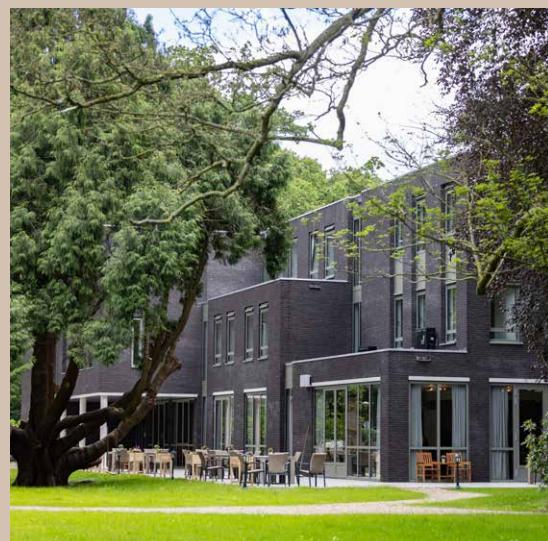


washing or showering, which of course cannot be the intention. These nuances promote the well-being of everyone living and working in the care facility.'

Marloes cites another example of welcome expertise: 'The size of the bathroom and the slope in the bathroom should be tailored to suit the care-dependent user. After all, an elderly person with dementia showers differently. The exact size and the right slope, together with the correct positioning of the shower, as far away from the door as possible, will prevent the whole bathroom from getting wet and slippery.'

Profitability

Profitability is also brought up. After all, it is an advantage for both Aedifica and the tenant to check whether figures are comparable with the benchmarks Aedifica has from its portfolio. This allows the tenant's business model and financials to be monitored. This kind of expertise is especially important in a start-up period when occupancy still needs to be built up. 'Not only do our buildings have to be futureproof, we equally strive for futureproof relationships with our tenants. That benefits everyone,' Marloes argues.



Villa Horst en Berg
- Soest (NL)

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This is Aedifica



Heerenhage - Heerenveen (NL)



For more than fifteen years, Aedifica has been building the healthcare real estate of the future. Thanks to our successful strategy, our real estate portfolio has grown by an average of 23% annually to €5.7 billion. In 2022, we again lived up to our ambitions as international reference player by implementing a sizeable number of new investments and completing 40 development projects. The fact that Aedifica's recipe continues to appeal to investors – despite a volatile macroeconomic environment – was reflected in several successful capital increases and by the reaffirmation of S&P's investment-grade credit rating.



>€800m
new investments
made & projects
announced



40
development
projects
completed



€310m
raised on capital
markets



8 countries
across Europe

Profile



Housing with care

Our tagline says it all. Aedifica is a Belgian listed company that is specialised in offering innovative and sustainable real estate concepts to our care operators and their residents across Europe, focusing in particular on housing for elderly people with care needs.

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. We don't just invest in properties, we invest in society.

We aim to offer our shareholders a reliable real estate investment with an attractive return based on the successful strategy we developed throughout the past 17 years: combining a high-quality diverse portfolio that generates recurring and indexed rental income with industry leading long-term partners and an experienced team.

Aedifica is listed on Euronext Brussels (2006) and Euronext Amsterdam (2019). Since 2020, Aedifica has been part of the BEL 20, the leading share index of Euronext Brussels. The share is also part of the new BEL ESG index, which tracks companies that perform best on ESG criteria.

2005

- **Founding** of Aedifica
- Portfolio of **apartments & hotels**

2012

- **€100m** raised on capital markets

2015

- **€150m** raised on capital markets



2006

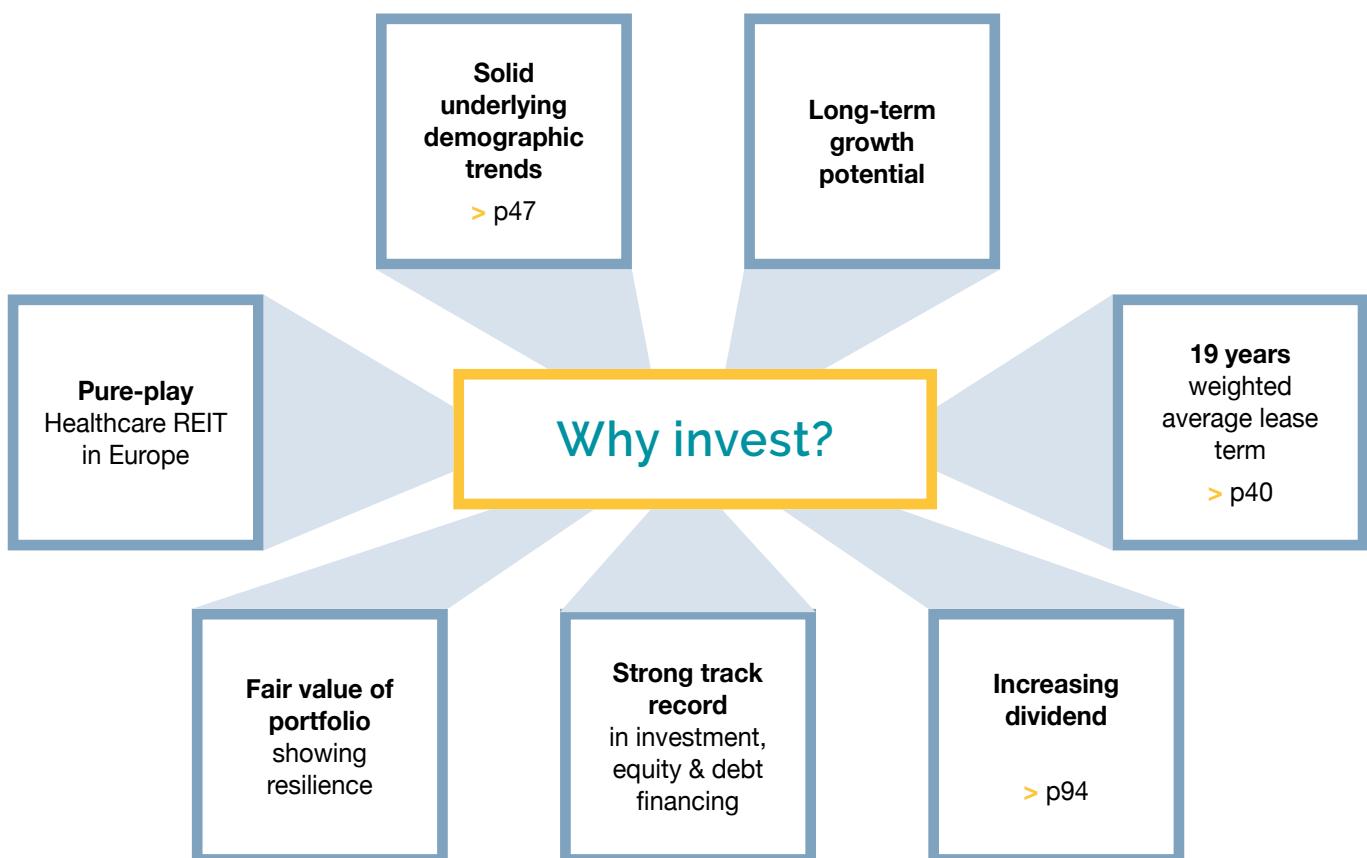
- Listing on **Euronext Brussels**
- First investments in **healthcare real estate**

2013

- First investments in **Germany**

2016

- First investments in the **Netherlands**



2017

- €220m raised on capital markets

2020

- First investment in **Finland & Sweden**: public bid on Hoivatilat Oyj
- €710m raised on capital markets
- Entry in **BEL20** share index



2022

- €310m raised on capital markets
- Launch of **net zero carbon pathway**



2019

- First investments in the **United Kingdom**
- Secondary listing on **Euronext Amsterdam**
- €420m raised on capital markets
- **Pure-play healthcare REIT**: divestment of apartments & hotels

2021

- First investments in **Ireland & Spain**
- €330m raised on capital markets
- €500m **sustainability bond**



2023

- Entry in **BEL ESG** index

Letter to the stakeholders



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Aedifica's ability to deliver these results demonstrates the resilience of the healthcare real estate sector, which will continue to need additional capacity in the years to come due to the ageing European population.

Stefaan Gielens
Chief Executive Officer



Serge Wibaut
Chairman of the
Board of Directors

Dear stakeholder,

In 2022, Aedifica demonstrated that it continues to live up to its ambitions as a leading European healthcare real estate investor. With a series of investments in the first half of the year, Aedifica again achieved its investment targets. As the investment climate changed in the second half of the year due to rising interest costs and high inflation, the Group focused on the strength of its balance sheet, execution of its investment programme and portfolio management. As a result, Aedifica – despite the volatile macroeconomic environment – once again posted sound results. In addition, Aedifica has also further ramped up its corporate social responsibility (CSR) efforts.

Aedifica's ability to deliver these results demonstrates the resilience of the healthcare real estate sector, which will continue to need additional capacity in the years to come due to the ageing European population.

Investments across europe

Throughout the year, the Group carried out investments and announced new projects across Europe for approx. €803 million in 57 care properties. Nearly two-thirds of that amount was invested in the UK and Ireland. In Ireland, Aedifica has built a portfolio of almost €300 million in less than two years after its first investments. Upon completion of the development projects, it will exceed €450 million. In Finland, where Aedifica operates as a developer through Hoivatalat, development activities continued successfully with approx. €100 million in new projects announced during the year, two-thirds of which will be realised with public tenants. Furthermore, a total of 40 projects from the investment programme amounting to approx. €295 million were completed.

All the investments carried out in 2022 have increased Aedifica's real estate portfolio to 622 sites with a capacity of nearly 35,600 residents and over 11,500 children. The fair value of the real estate portfolio* increased by approx. €807 million (+16%) to €5,704 million (compared to €4,896 million at the beginning of the financial year). In addition, as of 31 December 2022, the Group has a total investment programme in pre-let development projects and acquisitions in progress of approx. €671 million. Considering this investment programme, Aedifica's total portfolio is expected to cross the €6 billion mark soon.

Defensive financial profile

Despite the volatile macroeconomic environment, Aedifica boasts a healthy balance sheet. The market's confidence in the Group's strategy was reflected not only in the fact that it successfully raised nearly €310 million in equity, but also in S&P's reaffirmation of its BBB investment-grade credit rating with a stable outlook. As at 31 December 2022, Aedifica's consolidated debt-to-assets ratio amounted to 43.6%. Moreover, financial resources were strengthened during 2022 by contracting approx. €516 million in new long-term bank financing. With its strong balance sheet and ability to raise capital, Aedifica has the resources to meet the challenges of the new financial year.

Sound results

Aedifica has not only focused on investment and growth, but also on managing its existing real estate assets. The result of this effort in 2022 is reflected in an excellent rental income of €273.1 million (€232.1 million a year earlier, an increase of approx. 18%). The EPRA Earnings* are above budget and amount to €181.4 million (€151.5 million a year earlier, an increase of approx. 20%), i.e. €4.76 per share. Aedifica's total profit amounts to €331.8 million. Aedifica demonstrated its ability to grow while maintaining a strong focus on financial performance through an increase in earnings per share and a sound debt-to-assets ratio. Based on these results, Aedifica's Board of Directors will propose to the Annual General Meeting on 9 May 2023 a gross dividend of €3.70 per share.

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 its contribution to the Group's development.

Putting sustainability into practice

Aedifica focuses on sustainability and puts its objectives into practice by investing in the (re)development and renovation of care properties (e.g. nearly zero-energy buildings in Ireland, Germany and the Netherlands). In addition, the Group initiated updating its leases with green annexes and quality of care commitments. Aedifica's ambitious CSR approach is on the right track, as evidenced by the share's recent inclusion in the new BEL ESG index and excellent scores from various ESG assessments. The GRESB score and MSCI rating as well as the Sustainalytics Risk Rating continued to improve, while the Group's CSR Report was awarded an EPRA sBPR Gold Award for the third year in a row. Moreover, with 59% of new bank financing contracted in 2022 linked to sustainability KPIs, Aedifica underlines its wish to integrate ESG criteria into its financial policy.

Future growth

Benefiting from strong fundamental tailwinds such as the ageing European population and the increasing need for futureproof care properties, healthcare real estate will remain an attractive investment category in the years to come. However, we expect 2023 to be more of a transition year in which a new balance needs to be found between investment market and operator expectations on the one hand and increased financing costs on the other. This is likely to translate into a slower investment pace as the Group will focus primarily on executing its committed pipeline while maintaining a strong balance sheet and a debt-to-assets ratio of approx. 45%. Nevertheless, Aedifica will continue to build a portfolio of high-quality buildings offering attractive net returns and further strengthen its position as a European market reference in listed healthcare real estate.

For the 2023 financial year, EPRA Earnings* are expected to amount to €5.03 per share. The Board of Directors anticipates a 3% increase in the gross dividend to €3.80 per share.

2022

Ireland

18 sites
>1,900 residents
96,800m²
€289m fair value
€164m in pipeline
24 years WAULT¹
5.3% gross yield²

United Kingdom³

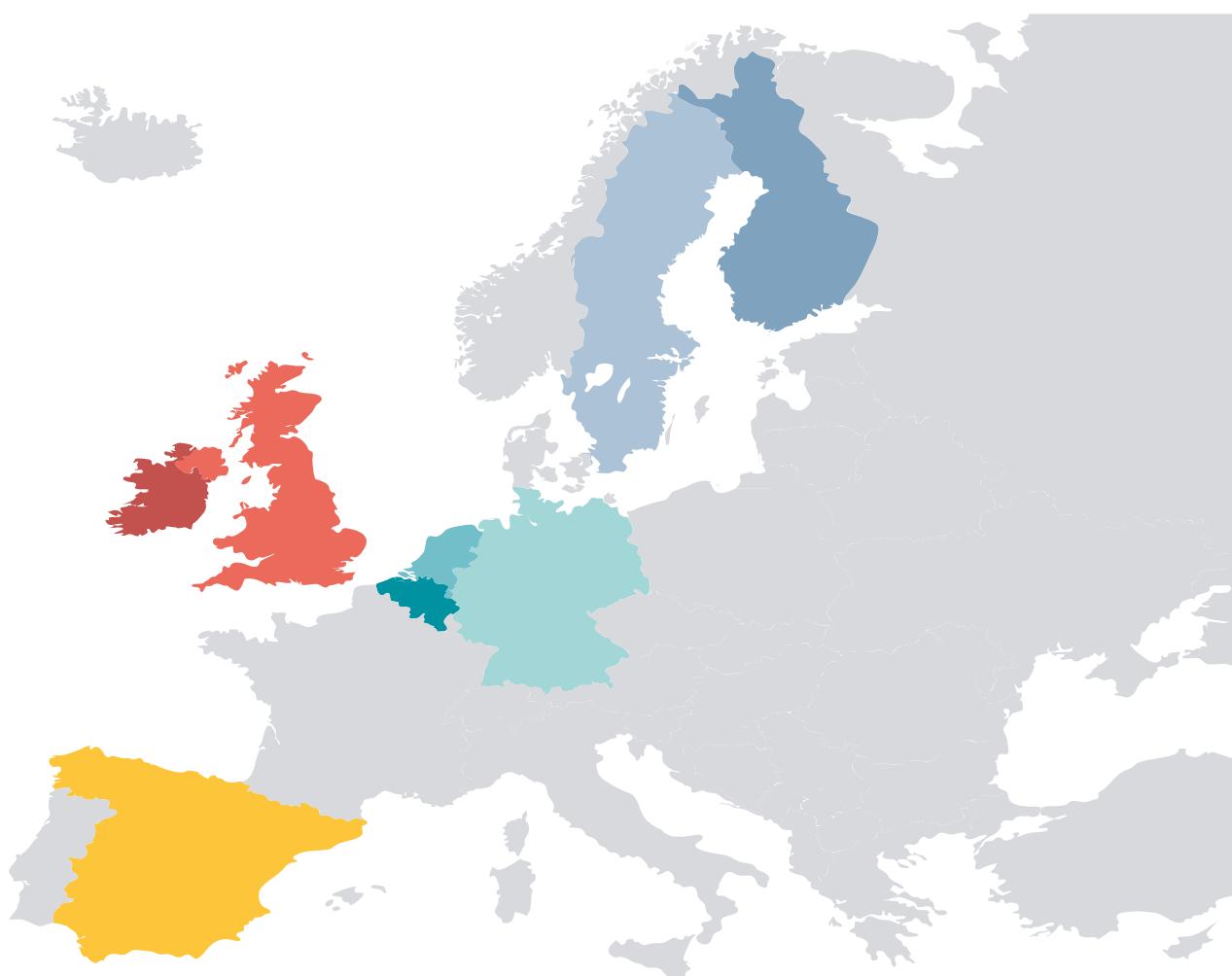
114 sites
7,300 residents
328,600m²
€960m fair value
€130m in pipeline
22 years WAULT¹
6.4% gross yield²

Sweden

23 sites
140 residents &
600 children
17,300m²
€77m fair value
€29m in pipeline
12 years WAULT¹
5.0% gross yield²

Finland

203 sites
3,500 residents &
10,900 children
257,400m²
€985m fair value
€94m in pipeline
12 years WAULT¹
5.3% gross yield²



Spain

1 site under construction
160 residents
8,400m²
€1.5m fair value
€14m in pipeline
30 years WAULT¹

Belgium

85 sites
>8,800 residents
541,500m²
€1,299m fair value
€65m in pipeline
20 years WAULT¹
5.5% gross yield²

Netherlands

75 sites
3,300 residents
355,400m²
€640m fair value
€37m in pipeline
17 years WAULT¹
5.6% gross yield²

Germany

103 sites
10,500 residents
597,300m²
€1,198m fair value
€138m in pipeline
22 years WAULT¹
5.1% gross yield²

Our portfolio

622 sites (+35)	€671m in pipeline
35,600 residents (+2,900)	19 years WAULT ¹
>11,500 children	5.5% gross yield ²
2,203,000 m ² (+172,000 m ²)	100% occupancy rate
€5,519m fair value ⁴ (+€775m)	

Financials

€181m EPRA earnings* (+20%)	€273m rental income (+18% YoY & +4.2% LfL)
€4.76/share EPRA earnings*	43.6% debt-to-assets ratio
€3.70/share gross dividend (+9%)	€667m headroom on credit facilities
BBB with stable outlook S&P credit rating reaffirmed	7.5x interest cover ratio

Our team

121 employees	76 men
41 years average age	45 women
20 training hours average per employee (+14%)	11 nationalities

Corporate Social Responsibility

34% sustainable financing

€60,000 in charity donations

Aedifica Academy rolled out across the Group

2022 Environmental Data Report to be published in June 2023

* 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.

1. Weighted average unexpired lease term.

2. Based on the fair value (re-assessed every three months). For healthcare real estate, gross yield and net yield are generally equal ('triple net' contracts) with operating charges, maintenance costs and rents on empty spaces related to the operations generally being supported by the operator in Belgium, the United Kingdom, Ireland, Spain and (often) the Netherlands. In Germany, Finland and Sweden (and the Netherlands, in some cases), the net yield is generally lower than the gross yield, with certain charges remaining the responsibility of the owner, such as the repair and maintenance of the roof, structure and facades of the building ('double net' contracts).

3. To keep Aedifica's reporting simple, properties in the Channel Islands and Isle of Man are presented under the UK portfolio.

4. Fair value of marketable investment properties including assets classified as held for sale* and rights of use related to plots of land held in 'leasehold' in accordance with IFRS 16.

2022 highlights

Portfolio

€803m

in new investments & projects in 57 sites

40 projects

of the investment programme completed
totalling €295 million

➤ pages 78-81

ESG

Green lease agreements

Committed to improve the environmental performance of its portfolio and attaining net zero emissions by 2050, Aedifica had developed a green lease annex that will be implemented in each of the countries in which Aedifica operates. It is the basis for the exchange of consumption data and best practices and also provides recommendations on improving the environmental performance of buildings.

➤ page 60

Finance

Nearly €310 million raised on capital markets

Despite the volatile macroeconomic environment, Aedifica completed one capital increase in cash and two capital increases by contribution in kind, raising approx. €309 million and confirming the market's confidence in our strategy.

➤ page 85

People

Aedifica is a 'Great Place to Work'

For the second year in a row, Aedifica conducted an employee survey in collaboration with Great Place to Work. Following the survey and an in-depth analysis of the company's culture, Aedifica was once again recognised as a 'Great Workplace', allowing it to carry the Great Place to Work® Certified label in 2023 as well. In a separate survey, our Finnish Hoivatilat team was also awarded the label.

➤ page 68



Portfolio

Irish portfolio increases to nearly €300 million

A third of all the investments we announced last year targeted Ireland. By the end of 2022, less than two years after our first investments there, Aedifica's Irish portfolio was already close to €300 million. Upon completion of all ongoing development projects, it will exceed €450 million.

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ESG

Inclusion in BEL ESG index & improvement of all ESG ratings

Aedifica's ambitious CSR approach is on the right track, as evidenced by the share's recent inclusion in the new BEL ESG index and excellent scores from various ESG assessments. In 2022, the GRESB score and MSCI rating increased, while the Sustainalytics Risk Rating continued to decrease and the Group's CSR Report was awarded an EPRA sBPR Gold Award for the third year in a row.

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BEL ESG
by EURONEXT

ESG

Sustainability bond wins award and is included in Bloomberg MSCI Green Bond Index

In September 2021, Aedifica successfully issued a €500 million Sustainability Bond, connecting its CSR ambitions with its financing strategy. In 2022, our bond was included in the Bloomberg MSCI Green Bond Index, which offers investors an objective measure for fixed income securities issued to fund projects with direct environmental benefits. In addition, the bond won the award for 'Sustainability bond of the year – corporate' at the 2022 Environmental Finance Bond Awards, where it was praised for its clear environmental and social impact on a sector that is more important than ever before.

[> page 84](#)

People

First Community Days organised in Belgium

In Belgium, Community Days were organised for the first time, giving employees the opportunity to volunteer for one day in one of our care homes. The concept met with great enthusiasm from the team and will therefore be further rolled out to our teams in other countries in 2023.

[> page 63](#)



2022 key figures

+18%
rental income y/y

+20%
EPRA earnings* y/y

Investment properties (x €1,000)	31/12/2022	31/12/2021
Marketable investment properties in fair value incl. assets classified as held for sale*	5,519,439	4,744,468
Development projects	184,295	151,954
Total of investment properties in fair value incl. assets classified as held for sale*	5,703,734	4,896,422
Consolidated income statement – analytical format (x €1,000)	31/12/2022	31/12/2021
Rental income	273,132	232,118
Rental-related charges	-1,589	-686
Net rental income	271,543	231,432
Operating charges*	-41,869	-38,105
Operating result before result on portfolio	229,674	193,327
<i>EBIT margin* (%)</i>	84.6%	83.5%
Financial result excl. changes in fair value*	-36,239	-32,162
Corporate tax	-11,970	-9,718
Share in the profit or loss of associates and joint ventures accounted for using the equity method in respect of EPRA Earnings	362	360
Non-controlling interests in respect of EPRA Earnings	-441	-328
EPRA Earnings* (owners of the parent)	181,386	151,479
Denominator (IAS 33)	38,113,384	34,789,526
EPRA Earnings* (owners of the parent) per share (€/share)	4.76	4.35
EPRA Earnings*	181,386	151,479
Changes in fair value of financial assets and liabilities	123,242	14,813
Changes in fair value of investment properties	84,877	160,211
Gains and losses on disposals of investment properties	787	534
Tax on profits or losses on disposals	0	-559
Goodwill impairment	-18,103	-3,540
Deferred taxes in respect of EPRA adjustments	-42,705	-46,452
Share in the profit or loss of associates and joint ventures accounted for using the equity method in respect of the above	1,806	6,011
Non-controlling interests in respect of the above	488	-673
Roundings	0	0
Profit (owners of the parent)	331,778	281,824
Denominator (IAS 33)	38,113,384	34,789,526
Earnings per share (owners of the parent - IAS 33 - €/share)	8.71	8.10

Corporate governance	Risk factors	Financial statements	Additional information
Net asset value per share (in €)			
		31/12/2022	31/12/2021
Net asset value after deduction of the 2021 dividend ¹ , excl. changes in fair value of hedging instruments*		79.38	74.09
Effect of the changes in fair value of hedging instruments		2.98	-0.75
Net asset value after deduction of the 2021 dividend¹		82.37	73.34
Number of shares outstanding (excl. treasury shares)		39,854,966	36,308,157
Consolidated balance sheet (x €1,000)			
		31/12/2022	31/12/2021
Investment properties including assets classified as held for sale*		5,703,734	4,896,422
Other assets included in debt-to-assets ratio		258,587	258,725
Other assets		123,219	6,720
Total assets		6,085,540	5,161,867
Equity			
Equity excl. changes in fair value of hedging instruments*		3,163,877	2,808,488
Effect of the changes in fair value of hedging instruments		118,908	-27,317
Non-controlling interests		6,564	4,226
Equity		3,289,349	2,785,397
Liabilities included in debt-to-assets ratio		2,601,509	2,197,131
Other liabilities		194,682	179,339
Total equity and liabilities		6,085,540	5,161,867
Debt-to-assets ratio (%)		43.6%	42.6%
Key performance indicators according to the EPRA principles²			
		31/12/2022	31/12/2021
EPRA Earnings* (in €/share)		4.76	4.35
EPRA NRV* (in €/share)		91.74	85.10
EPRA NTA* (in €/share)		79.71	72.78
EPRA NDV* (in €/share)		83.92	69.08
EPRA Net Initial Yield (NIY) (in %)		4.9%	4.9%
EPRA Topped-up NIY (in %)		5.1%	5.1%
EPRA Vacancy Rate (in %)		0.4%	0.5%
EPRA Cost Ratio (including direct vacancy costs)* (in %)		15.9%	16.7%
EPRA Cost Ratio (excluding direct vacancy costs)* (in %)		15.9%	16.7%
EPRA LTV* (in %)		43.4%	42.8%

1. See Note 44.7.

2. See page 208 for more information on EPRA key performance indicators.

Strategy & value creation



Loughshinny Nursing Home
- County Dublin (IE)



As an investor and developer, Aedifica specialises in innovative and sustainable real estate that meets the needs of care operators and their clients across Europe, focusing in particular on housing for elderly people with high care needs.

We do not just invest in properties, we want to create value for society. Through our buildings, we aim to improve the quality of life of their users and reduce their impact on the environment. Our tailored real estate solutions help our tenants succeed. We make our people thrive by offering them a healthy and inclusive workplace. Our portfolio's rental income provides stable returns for investors.

Thanks to our successful strategy over the past seventeen years, Aedifica has established itself as a market reference in listed healthcare real estate in Europe. And we are not done yet.

How we create value

Trends



Ageing population

Europe's population is ageing, driving the need for specific healthcare real estate.



Urbanisation

Europe continues to urbanise, creating demand for integrated healthcare real estate concepts with a variety of services.



Consolidation

Private and public care providers increasingly rely on private investors to fund their healthcare real estate infrastructure as they are further expanding or adapting their activities.



Public funding

European governments continue to finance the care needs of their populations with public funds.

Resources



Portfolio

- Well-located plots of land
- Quality buildings
- Pre-let development pipeline



Partners

- Operators
- Developers
- Communities



Organisation

- Diverse, motivated and collaborative team
- Expertise and knowledge developed over 17 years
- Transparent, ethical and sound governance



Financial strength

- Strong balance sheet
- Diverse sources of financing
- BBB investment-grade credit rating with stable outlook (S&P)
- Easy access to capital markets

Strategy

Our purpose

We want to provide sustainable and innovative healthcare real estate that improves the quality of life of the people that live and work in our buildings by putting them centre stage and giving them the space to receive the care they need in the way they prefer.



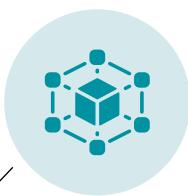
Our focus

Capitalising on demographic trends and long-term partnerships with our operators, we focus on building a high-quality European healthcare real estate portfolio and understanding the long-term care and housing needs of the ageing population.



To create sustainable value for our stakeholders and society at large, we buy, develop and manage healthcare real estate, drawing on resources such as our portfolio, our partnerships, our organisation and our financial strength.

The value we create



Our activities

- Acquiring & developing
- Diversifying
- Improving
- Strengthening
- Caring

➤ page 29

Futureproof care properties across Europe

- By investing in sustainable and energy-efficient buildings, we contribute to a carbon-neutral society.
- The design and facilities of our care properties improve the quality of life of their users.
- Addressing society's changing concepts of living, our buildings create thriving communities centred around care.



Strong partnerships with key stakeholders

Through our long-term partnerships with operators, suppliers and local authorities, we create a solid foundation to fulfil our company's purpose and pursue continued growth.



Thriving work environment

We create a healthy, diverse and inclusive environment which enables our people to thrive and achieve their potential.



Solid and stable returns for investors

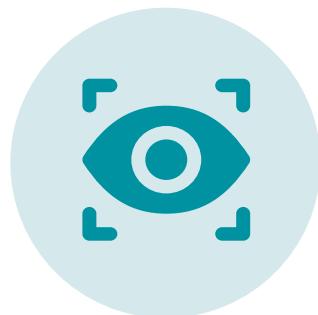
Our portfolio generates predictable long-term revenues, offering attractive opportunities for current and future investors.



Strategy

Our purpose

We want to provide sustainable and innovative healthcare real estate that improves the quality of life of the people that live and work in our buildings by putting them centre stage and giving them the space to receive the care they need in the way they prefer.



Our focus

Capitalising on demographic trends and long-term partnerships with our operators, we focus on building a high-quality European healthcare real estate portfolio and understanding the long-term care and housing needs of the ageing population.

Our activities

Acquiring & developing



- We invest in buildings that we lease to care providers.
- We develop high-quality sustainable real estate, either with our own local team in Finland or through partnerships with dedicated developers and operators in other countries. In-house development gives us the flexibility to deliver tailored real estate concepts with multiple (healthcare) services to meet the needs of our tenants and their clients.
- We always pursue value accretive acquisitions and developments while paying constant attention to ESG standards.

Diversifying



- By diversifying the building types within our portfolio and even combining types of care within a single campus, we cater in a flexible way to society's changing needs.
- Geographical diversification prevents over-reliance on a specific care concept or single social security system and enables further diversification of our tenant base.
- By diversifying our tenant base, we also diversify our income streams and mitigate risks related to a specific operator.

Improving



- Committing to achieve net zero emissions for our entire portfolio by 2050, we invest in upgrading our existing buildings to minimise the carbon footprint and environmental risks while also reducing our operators' costs.
- In addition to environmental upgrades, we also optimise internal comfort to improve the quality of life of our properties' users, making our portfolio truly futureproof.

Strengthening



- Building and strengthening relationships with our operators and communities is essential to creating long-term sustainable value. It helps us understand the needs we need to cater to, so we can provide them tailored real estate solutions that help them succeed thereby growing our income and creating value for society.

Caring



- By taking good care of our employees, we enable and motivate them in their work to fulfil our company's purpose. We actively pay attention to the health and well-being of our employees and their families. We invest in the personal development of our staff by offering trainings. In providing a healthy place to work and an attractive remuneration package, we attract and retain the best talent in the industry.

Our approach to Corporate Social Responsibility

Aedifica creates value for its stakeholders and society at large in a sustainable way. Corporate Social Responsibility is therefore an integral part of our strategy.

To structure and maximise our Corporate Social Responsibility efforts, we established a CSR framework in 2021 based on a materiality analysis. We paired a number of ambitious goals to that framework, so that we can make targeted progress and communicate about it in an insightful way. Moreover, with these targets, Aedifica is also contributing to the United Nations Sustainable Development Goals (SDGs).

Our material issues

For the revision of our CSR framework in 2021, Aedifica conducted a materiality assessment that included a peer review, interviews with internal and external stakeholders and an online survey. The

results are shown in the materiality matrix, with the most material topics plotted on the top right. Our sustainability efforts in the coming years will primarily focus on these topics. Based on this matrix, we have updated our CSR framework and set new goals for the future, assuming our responsibility and responding as much as possible to the issues of interest to the Group.

The topics that are not in the top right of the matrix are relevant to our industry but are considered less material to Aedifica in the coming years. This does not mean that we are not interested in these topics or that we will not focus on them or communicate about them. It just means that Aedifica's efforts on these topics will have less impact on our day-to-day activities.

The 'Business review' chapter of this annual report provides more details regarding the 2022 performance on the most material topics. In June 2023, we will also publish a report with additional environmental performance data.



Portfolio

- b Building certifications
- c Climate change adaptation
- d Life-cycle assessments (LCA)
- f Biodiversity
- h Carbon neutral portfolio
- p Invest in research and development
- q Access to (green) finance
- u Compliance with (local) changing building regulations

Partners

- e Provide sustainable mobility solutions
- g Efficient operations by operators
- i Engage with operators to reduce environmental impact
- m Operators' satisfaction, service quality
- n Health, safety and well-being at asset level
- o Provide quality healthcare services for society
- s Sustainable procurement

Organisation

- a Carbon neutral organisation
- j Talent development and training in the workplace
- k Diversity and equal opportunities
- l Health and well-being employees
- r Ethics, compliance and integrity
- t Data protection and cyber security

Our CSR framework

Following our 2021 materiality review, we updated our CSR framework to enable us to work towards our Company's purpose and address our key CSR topics. Our CSR framework helps us make sustainability part of everything we do and focus on the issues where we can have the greatest impact.

Our Corporate Social Responsibility Framework is focused on three main areas: reducing our environmental footprint, strengthening our stakeholder relationships and continuing to be an attractive organisation that makes its people thrive.



Portfolio

Reducing environmental impact, operational costs and risks



- Measuring and reducing environmental impact
- Minimising risks (safety, technical, materials, etc.)
- Complying with (future) building regulations
- Optimising internal comfort
- Stimulating eco-efficient investments by operators and/or third parties
- Meeting the needs of future senior housing



Partners

Strengthening relationships within the healthcare real estate sector



- Optimising relationships with operators
- Sharing knowledge in the healthcare sector concerning sustainable real estate
- Connecting with our communities and better understanding the needs of clients and operators
- Being the leading healthcare real estate investor in Europe that cares about its residents



Organisation

Being a leader in the healthcare real estate sector



- Investing in the training and development of our team
- Running a robust health & well-being programme
- Remaining attractive for future healthcare real estate experts
- Providing a work environment for a diverse workforce
- Meeting ethical standards at its core foundation
- Having governance policies and procedures in place

Our CSR goals

Following the materiality assessment and the update of our CSR framework in 2021, we have revamped our action plan and committed ourselves to more ambitious CSR goals. These goals allow us to focus our efforts on reducing our environmental impact, and work with key stakeholders (such as employees, shareholders,

residents, etc.) to achieve these targets, while maintaining responsible business practices.

In the Business Review chapters, you can track how far we have progressed in achieving these objectives.

	Goals	Actions taken in 2022	Status
Portfolio 	Achieving net zero emissions for our real estate portfolio by 2050	Portfolio evaluation using CRREM and interim target set for 2030 (long-term targets were set for the Executive Committee).	on track
	Applying Building Assessment (BA) strategy to 100% of our properties in operation by 2025	A group-wide platform was implemented to support compliance assessment.	on track
	Conducting a climate change risk assessment in 2023	Process description of climate change risk assessment developed and climate change data provider selected.	on track
Partners 	Increasing the response rate of operators participating in engagement survey	Operator engagement survey planned for 2023.	planned
	Implementing a green awareness programme for tenants	The green lease annex was added to both newly signed and several existing leases.	ongoing
	Organising Operator Days in each region every three years	Operator Days organised in the UK and Belgium.	ongoing
	Organising annual Community Days for employees	Community Days organised in Belgium. 44 employees performed 189 hours of community support in 2022.	✓
Organisation 	Rolling out Aedifica Academy in all regions	Aedifica Academy launched in all countries 2,020 hours of training offered to employees.	✓
	Organising an annual employee satisfaction survey	With a participation rate of 92%, 82% of employees were proud to work for Aedifica and almost 9 in 10 would recommend it as a great place to work.	✓
	Mandatory annual ethics training for employees	100% of employees have received ethics training.	✓
	Implementing a health & well-being programme for employees	Initiatives to improve communication, social cohesion and employee engagement.	ongoing



Aedifica is not subject to the Non-Financial Reporting Directive and is also not yet subject to the Corporate Sustainability Reporting Directive (CSRD) or EU Taxonomy. However, for several years Aedifica has already conceived its Annual Financial Report as a report in which it does not only report on financial information but also on non-financial information.

In the 2022 Annual Financial Report Aedifica takes one further step towards a fully integrated report by also integrating our CSR Report. Aedifica will thus no longer publish a separate CSR Report, but only an **Environmental Data Report in June 2023** providing an update of our environmental performance, including KPIs.

UN Global Compact

In addition to its public commitment to the SDGs, Aedifica has endorsed the UN Global Compact, the UN corporate social responsibility initiative, and its principles in the areas of human rights, labour, environment and anti-corruption.



United Nations Global Compact

Aedifica & the SDGs

The United Nations Sustainable Development Goals are considered a blueprint for a better and more sustainable future for us all. The SDGs cover a wide range of sustainable issues such as poverty, health, education, climate change, and environmental degradation, and are a call to action for governments, organisations, and civil society. Aedifica uses the SDGs as an overarching framework to shape its CSR strategy. We have revised our focus on the SDGs following the 2021 materiality assessment and will focus our efforts on four aspects where we can make a meaningful contribution.

Aedifica's contribution

5. Gender equality

Aedifica strives for equal opportunities for employees at all levels of our organisation. We monitor employee engagement and training opportunities and conduct an annual gender pay gap analysis to reduce inequalities. Within our supply chain and in our interactions with other stakeholders, we aim to promote diversity and equal opportunities.

7. Affordable and clean energy

Investing in energy efficiency is critical to achieving our carbon reduction goal. That is why we invest in advanced technologies that reduce energy consumption, on-site renewable energy generation such as solar, and benchmark the energy intensities of our entire portfolio to identify opportunities and raise operators' awareness of their relative inefficiencies.

12. Responsible consumption and production

We will introduce a material passport for each (re)development project to better manage the natural resources needed during construction works. This tool will give us a better understanding of our consumption so that we can sustainably manage and efficiently use the available natural resources. We will raise awareness among our tenants to significantly reduce waste production in their operations and increase recycling wherever possible.

13. Climate action

We have developed a building assessment framework that includes a climate change risk assessment to better understand the impact of climate change on our organisation and our operators. We will work with local authorities to create resilient communities. Our carbon pathway lays the foundation to minimise our carbon emissions each year, pursuing the ultimate goal of net zero emissions by 2050.

SUSTAINABLE DEVELOPMENT GOALS



ESG Ratings

Aedifica has participated in ESG assessments by independent rating agencies to improve and benchmark its efforts and communication on sustainability and check its resilience to long-term and ESG risks. These assessments were conducted within the framework of EPRA Sustainability Reporting and the Global Real Estate Sustainability Benchmark (GRESB). Other rating agencies also publish reports on Aedifica's sustainability performance, such as Sustainalytics and MSCI.

Proof that we are on the right track with our CSR approach is reflected in our scores on those ESG assessments. The GRESB score and MSCI rating increased, while the Sustainalytics Risk Rating continued to decrease and the Group's CSR Report was awarded an EPRA sBPR Gold Award for the third year in a row.

	2022	2021	2020	2019
EPRA sBPR	Gold	Gold	Gold	Silver + Most Improved
GRESB	68 **	66 **	57*	–
Sustainalytics Risk Rating	Low (11.1)	Low (11.9)	Low (17.8)	–
MSCI	A	BBB	BB	BB

Inclusion in new BEL ESG index

Aedifica's CSR strategy is not only reflected in good scores on ESG assessments. The Group was also rewarded for its efforts with inclusion in the new BEL ESG index. That index comprises the 20 shares on Euronext Brussels that perform best on ESG criteria, based among other things on their Sustainalytics Risk Rating. At the end of 2022, Aedifica's Sustainalytics Risk Rating was 'Low' with a rating of just 11.1.



RAOUL THOMASSEN,
COO

These excellent ratings are a great reward for the CSR efforts made by the team over the past year. Thanks to our ambitious strategy, we will continue to make progress on CSR topics in the coming years and further improve our ratings.

Business review



Militza Brugge - Bruges (BE)



Portfolio

➤ pages 36-55

Partners

➤ pages 56-65

Organisation

➤ pages 66-75

Financial review

➤ pages 76-95



622
care properties



>150
operator groups

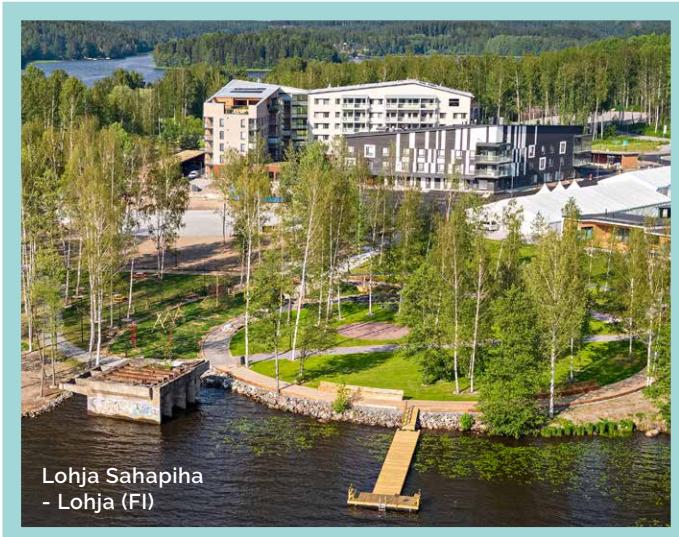


121
employees



€273m
2022 rental
income

Portfolio



Our property types

Elderly care homes

Elderly care homes provide long-term accommodation for seniors who continuously rely on collective domestic services, help with daily tasks and nursing or paramedical care.

Senior housing

Senior housing is designed for elderly people who want to live independently with access to care and services on demand. These care properties consist of individual housing units where the elderly live independently, with communal service facilities that can be used on an optional basis.

Mixed-use elderly care buildings

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, we invest in care campuses that combine elderly care with other complementary care functions such as day-care centres, medical centres, medical practices, childcare centres, housing for people with a disability, etc.

Childcare centres

In northern Europe, we also invest in childcare centres, either as stand-alone centres or in combination with other care or school facilities. These nurseries ('pre-school') provide day care for children aged 0 to 6.

Other care buildings

The other care buildings in our portfolio accommodate various care activities (some combined with housing) and various target groups (regardless of age) with high or specific permanent or temporary care needs due to disability, illness or other circumstances such as shelter for domestic violence, addiction therapy, emergency childcare, special education, etc.

1. Our portfolio

1.1. Our portfolio as at 31 December 2022

OVERVIEW OF FAIR VALUE, CONTRACTUAL RENTS AND GROSS YIELDS BY COUNTRY¹

	# Sites	Total surface (m ²)	# Residents	# Children	Fair value of marketable investment properties ²	Contractual rent	Estimated rental value (ERV)	Gross yield ³
Belgium	85	541,485	8,820	-	€1,299,390,133	€70,880,099	€66,357,591	5.5%
Germany	103	597,284	10,498	-	€1,197,566,136	€61,102,908	€60,598,015	5.1%
Netherlands	75	355,370	3,267	-	€640,102,400	€36,042,777	€37,286,826	5.6%
United Kingdom	114	328,640	7,262	-	£850,493,613 €959,739,518	£54,347,359 €61,328,277	£53,714,000 €60,613,563	6.4%
Finland	203	257,350	3,498	10,943	€984,800,000	€51,778,693	€55,513,206	5.3%
Sweden	23	17,323	140	610	SEK 858,800,000 €76,879,776	SEK 43,187,062 €3,866,106	SEK 45,017,276 €4,029,947	5.0%
Ireland	18	96,816	1,935	-	€289,126,332	€15,379,119	€14,742,532	5.3%
Spain	1	8,449	160	-	€1,500,000	€75,000	€75,000	5.0%
Total	622	2,202,717	35,580	11,553	€5,519,438,625	€300,452,979	€299,216,681	5.5%

➤ page 222-232

For a detailed overview of the portfolio at asset level,
see Summary of investment properties in the chapter Additional
information.

5.5%
average gross
yield

622
care properties

2,203,000 m²
35,600
residents
>11,500
children

1. Amounts in £ and SEK were converted into € based on the exchange rate of 31 December 2022 (0.88617 £/€ and 11.17069 SEK/€).

2. Including assets classified as held for sale*.

3. Based on the fair value (re-assessed every three months). For healthcare real estate, the gross yield and the net yield are generally equal ('triple net' contracts) with the operating charges, the maintenance costs and the rents on empty spaces related to the operations generally being supported by the operator in Belgium, the United Kingdom, Ireland, Spain and (often) the Netherlands. In Germany, Finland and Sweden (and the Netherlands, in some cases), the net yield is generally lower than the gross yield, with certain charges remaining the responsibility of the owner, such as the repair and maintenance of the roof, structure and facades of the building ('double net' contracts).

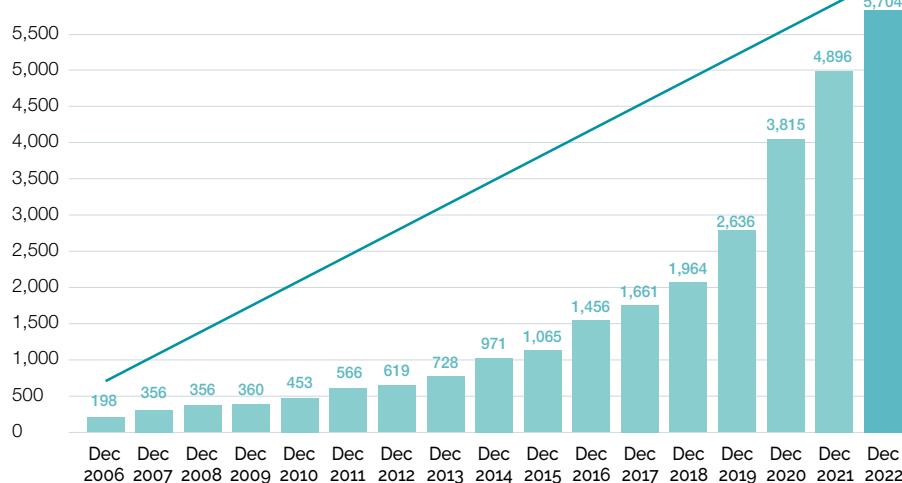
Corporate governance

Risk factors

Financial statements

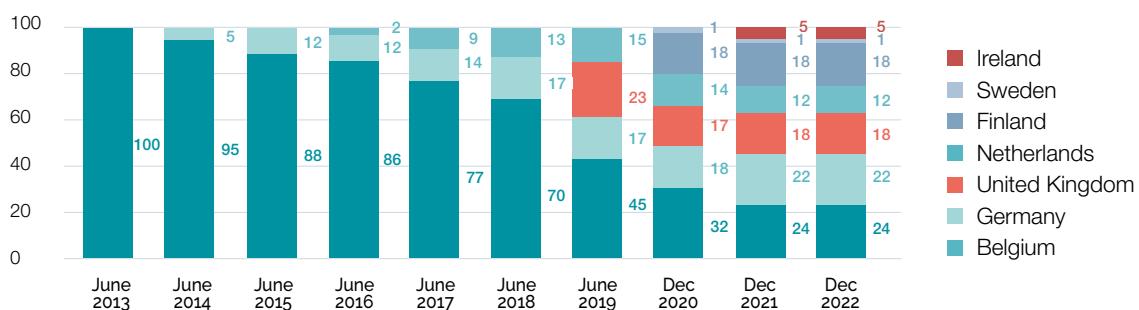
Additional information

INVESTMENT PROPERTIES IN FAIR VALUE (IN € MILLION)

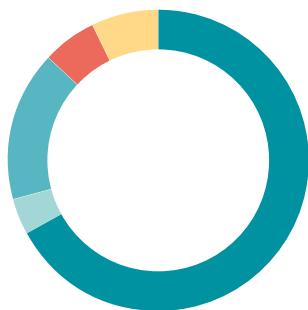


23%
compound
annual
growth rate

GEOGRAPHICAL BREAKDOWN IN FAIR VALUE (%)

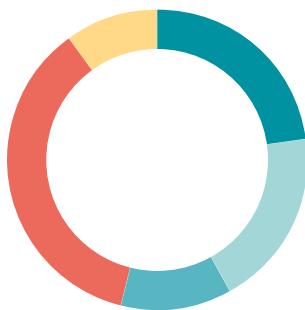


BREAKDOWN BY FACILITY TYPE IN FAIR VALUE (%)



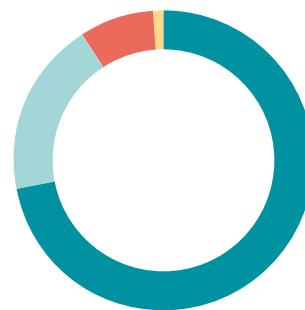
67% Elderly care homes
4% Senior housing
16% Mixed-use elderly care buildings
6% Childcare centres
7% Other care buildings

AGE OF BUILDINGS IN M²



24% ≤5 years
19% 6-10 years
11% 11-15 years
36% >15 years
10% Project

UNEXPIRED LEASE TERM (%)



73% ≥15 years
18% 10-15 years
8% 5-10 years
1% <5 years

WEIGHTED AVERAGE UNEXPIRED LEASE TERM BY COUNTRY (IN YEARS)

19 years
WAULT

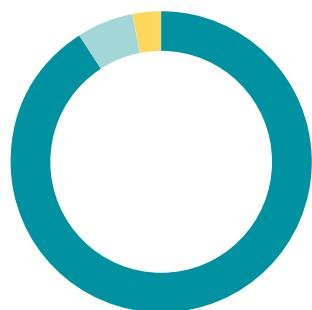
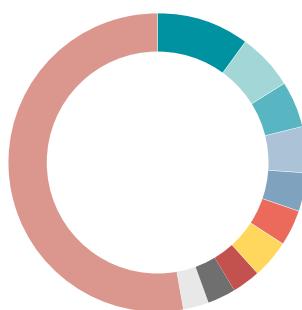
100%
overall
occupancy rate

Insured value

Aedifica's investment properties are insured for a total value of €5,110 million.

Breakdown by building (in fair value)

None of the buildings in Aedifica's portfolio represents more than 3% of total consolidated assets.

BREAKDOWN OF CONTRACTUAL RENTS BY TENANT SECTOR (%)**BREAKDOWN OF CONTRACTUAL RENTS BY TENANT GROUP (%)**

■ 91% Private
■ 6% Non-profit
■ 3% Public

■ 10% Korian
■ 6% Colisée
■ 5% Azurit Rohr
■ 5% Orpea
■ 4% Vulpia
■ 4% EMVIA
■ 4% Maria
■ 3% Mallaband
■ 3% Bondcare
■ 3% Attendo
■ 3% Burlington
■ 52% Other <3%

BREAKDOWN OF CONTRACTUAL RENTS BY TENANT GROUP

Tenant group	Number of sites	31/12/2022	31/12/2021
Belgium	85	24%	25%
Korian Belgium ¹	28	7%	8%
Armonaea ²	20	6%	7%
Vulpia	13	4%	4%
Orpea ³	9	3%	3%
Militza	2	1%	-
Astor vzw	1	1%	1%
Orelia Group	1	0%	0%
My-Assist	1	0%	0%
Vivalto Home	1	0%	0%
Emera ⁴	1	0%	0%
Other	8	1%	2%
Germany	103	20%	21%
Azurit Rohr	24	5%	6%
EMVIA	15	4%	4%
Vitanas	12	3%	3%
Specht Gruppe	9	1%	0%
Residenz Management	7	1%	1%
Argentum	7	1%	1%
Orpea ³	5	1%	1%
Alloheim	5	1%	1%
Cosiq	3	1%	1%
Korian Germany ¹	1	0%	0%
Procuritas	2	0%	0%
Convivo	2	0%	1%
Newcare	1	0%	-
DRK Kreisverband Nordfriesland e. V.	1	0%	0%
Johanniter	1	0%	0%
Volkssolidarität	1	0%	0%
ATV Lemförde GmbH	1	0%	0%
Seniorenhaus Lessingstrasse	1	0%	-
Other	5	1%	1%

Seniorenhaus
Lessingstrasse -
Wurzen (DE)



1. Korian Group.
2. Colisée Group.
3. Orpea Group.
4. Emera Group.

Tenant group	Number of sites	31/12/2022	31/12/2021
Netherlands	75	12%	12%
Korian Netherlands ¹	23	3%	3%
Vitalis	3	2%	2%
Martha Flora	10	1%	1%
Compartijn ²	6	1%	1%
NNCZ	5	1%	1%
Domus Magnus	4	1%	1%
Stichting Oosterlengte	3	0%	0%
Stichting Rendant	1	0%	0%
Stichting Leger des Heils Welzijns- en Gezondheidszorg	1	0%	0%
Saamborgh	2	0%	0%
Zorghaven Groep	2	0%	0%
Sandstep Healthcare	1	0%	-
Wonen bij September ²	1	0%	0%
Warm Hart	1	0%	-
Stichting Fundis	2	0%	0%
Other	10	2%	2%
United Kingdom	114	20%	20%
Maria Mallaband	17	4%	4%
Bondcare Group	21	3%	4%
Burlington	22	3%	3%
Care UK	12	2%	2%
Anchor Hanover Group	5	1%	-
Renaissance	9	1%	1%
Emera ³	7	1%	-
Harbour Healthcare	5	1%	1%
Excelcare	3	1%	1%
Danforth	2	1%	-
Caring Homes	4	1%	1%
Lifeways	2	0%	1%
Handsale	1	0%	0%
Hamberley Care Homes	1	0%	0%
Ideal Care	1	0%	-
Barchester	1	0%	0%
Other	1	0%	1%
Finland	203	17%	18%
Attendo	34	3%	4%
Municipalities	23	3%	2%
Mehiläinen	20	2%	2%
Touhula	28	2%	2%
Norlandia ⁴	17	2%	1%
Pilke	25	1%	2%
Esperi	3	0%	0%
KVPS	2	0%	0%
Sentica	3	0%	0%
Rinnekoti	3	0%	0%
Ikifit	2	0%	-
Aspa	3	0%	0%
Priimi	2	0%	0%

1. Korian group.

2. Orpea group.

3. Emera group.

4. Norlandia group.

	Tenant group	Number of sites	31/12/2022	31/12/2021
	Musiikkikoulu Rauhala	2	0%	0%
	Peurunka Oy	1	0%	0%
	Pihlajantertut Ry	1	0%	0%
	Tampereen ensi- ja turvakoti	1	0%	-
	Autismisäätiö	1	0%	-
	Other	32	3%	4%
Sweden		23	1%	2%
	Olivia Omsorg	4	0%	0%
	Ambea	3	0%	0%
	Kunskapsförskolan	2	0%	0%
	Humana	3	0%	0%
	Frösunda Omsorg	3	0%	0%
	British mini	1	0%	0%
	TP	1	0%	0%
	Norlandia ⁴	1	0%	0%
	Multiple tenants	1	0%	-
	Ersta Diakoni	1	0%	0%
	MoGård	1	0%	0%
	Caritas Fastigheter	1	0%	0%
	Serigo Care	1	0%	-
Ireland		18	5%	2%
	Virtue ³	8	2%	2%
	Bartra Healthcare	4	2%	-
	Silver Stream Healthcare	3	1%	-
	Coolmine Caring Services Group	3	0%	0%
Spain		1	0%	-
	Neurocare Home	1	0%	-
Total		622	100%	100%

Aedifica's real estate portfolio is operated by more than 150 tenant groups. Four groups operate properties in multiple countries in which the Group operates: Korian, Orpea, Emera and Norlandia. The weight of these groups in Aedifica's contractual rents is broken down by country in the table below.

Tenant	Country	Number of sites	31/12/2022	31/12/2021
Korian		52	10%	11%
	Belgium	28	7%	8%
	Germany	1	0%	0%
	Netherlands	23	3%	3%
Orpea		21	5%	5%
	Belgium	9	3%	3%
	Germany	5	1%	1%
	Netherlands	7	1%	1%
Emera		16	3%	2%
	Belgium	1	0%	0%
	United Kingdom	7	1%	-
	Ireland	8	2%	2%
Norlandia		18	2%	1%
	Finland	17	2%	1%
	Sweden	1	0%	0%

1.2 Our investment programme as at 31 December 2022

Projects and renovations (in € million) ¹	Operator	Current budget	Invest. as of 31/12/2022	Future investment
Projects in progress		532	182	354
Completion 2023		252	151	101
BE		4	2	2
Bois de la Pierre	Pierre Invest SA	3	2	1
In de Gouden Jaren	Emera	1	0	1
DE		52	30	22
Am Stadtpark	Vitanas	7	6	1
Rosengarten	Vitanas	10	7	3
Seniorenquartier Gera ^{1, 2}	Specht Gruppe	16	5	11
Haus Marxloh	Procuritas	4	2	2
Seniorenquartier Langwedel ^{2, 3, 7}	EMVIA Living	3	2	1
Seniorenquartier Sehnde ^{2, 3}	EMVIA Living	12	8	4
NL		25	17	8
Villa Meirin ²	Korian Netherlands	7	7	0
Alphen Raadhuisstraat ^{2, 5}	Stichting Fundis	5	2	2
Waarder Molendijk ^{2, 5}	Stichting Fundis	5	3	2
HGH Amersfoort ⁷	Korian Netherlands	1	1	0
Tiel Bladergroenstraat ²	Saamborgh	7	3	4
UK		45	26	20
Burlington projects	Burlington	0	0	0
Le Petit Bosquet	LV Care Group	3	2	1
St. Joseph's	LV Care Group	6	5	1
Lavender Villa	LV Care Group	6	1	5
Sleaford Ashfield Road ²	Torsion Care	13	5	8
Whitby Castle Road ²	Danforth	18	13	5
FI		61	26	35
Finland – pipeline 'childcare centres'	Multiple tenants	15	4	11
Finland – pipeline 'elderly care homes'	Multiple tenants	15	5	11
Finland – pipeline 'other'	Multiple tenants	31	18	13
IE		66	50	16
Tramore Nursing Home ⁷	Mowlam Healthcare	15	14	1
Kilbarry Nursing Home	Mowlam Healthcare	14	10	5
Kilkenny Nursing Home	Mowlam Healthcare	14	10	5
St. Doolagh's ²	Coolmine Caring Services Group	17	14	3
Altadore	Virtue	1	0	1
Millbrook Manor	Coolmine Caring Services Group	4	3	1
Completion 2024		221	29	196
BE		10	0	10
Résidence Véronique	Vulpia	10	0	10
DE		63	3	60
Am Parnassturm	Vitanas	4	1	3
Sz Berghof	Azurit	2	0	2
Sz Talblick	Azurit	1	0	1
Stadtlohn ^{2, 4}	Specht Gruppe	15	1	15
Fredenbeck ^{2, 4}	Specht Gruppe	13	2	12
Hamburg-Rissen ^{2, 4}	EMVIA Living	13	0	13
Uetze ^{2, 4}	EMVIA Living	15	0	15

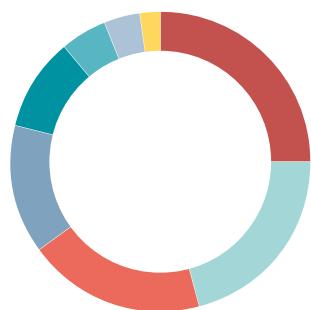
Projects and renovations (in € million) ¹	Operator	Current budget	Invest. as of 31/12/2022	Future investment
NL		7	1	6
Het Gouden Hart Almere ^{2,6}	Korian Netherlands	7	1	6
UK		29	8	22
Burlington projects	Burlington	1	0	1
St Mary's Lincoln	Burlington	13	4	9
York Bluebeck Drive	Torwood Care	15	4	11
FI		17	0	16
Finland – pipeline 'other'	Multiple tenants	17	0	16
SE		23	3	20
Sweden – pipeline 2024	Multiple tenants	23	3	20
IE		60	13	52
Dublin Stepaside ²	Virtue	26	5	26
Dunshaughlin Business Park	Grace Healthcare	19	8	11
Sligo Finisklin Road	Coolmine Caring Services Group	16	1	15
ES		12	1	11
Tomares Miró	Neurocare Home	12	1	11
Completion 2025		59	2	57
BE		19	0	19
Militza Gent	My-Assist	19	0	19
DE		23	1	22
Bavaria Senioren- und Pflegeheim	Auriscare	1	0	0
Am Marktplatz	Vitanas	2	0	2
Seniorenquartier Gummersbach ^{2,3}	Specht Gruppe	20	1	20
FI		17	1	16
Finland – pipeline 'childcare centres'	Multiple tenants	17	1	16
Projects subject to outstanding conditions/forward purchases		135	5	134
Completion 2023		64	1	64
NL		5	0	5
Residence Coestraete ²	Valuas	5	0	5
UK		15	1	15
Dawlish	Maria Mallaband	15	1	15
SE		5	0	5
Singö 10:2	Stockholms Stadsmission	3	0	3
Bergshammar Ekeby 6:66	MoGård	3	0	3
IE		38	0	38
Clondalkin Nursing Home	Bartra Healthcare	38	0	38

1. The figures in this table are rounded amounts. The sum of certain figures might therefore not correspond to the stated total. Amounts in £ and SEK were converted into € based on the exchange rate of 31 December 2022 (0.88617 €/£ and 11.17069 €/SEK).
2. Although still under construction, the sites often already generate limited rental income, 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. This project is being developed within the joint venture with Dunavast-Sonneborgh, in which Aedifica holds a 75% stake.
6. These projects are being 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.
7. This project has already been completed after 31 December 2022 (see page 83).

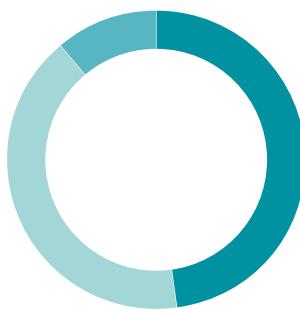
Projects and renovations (in € million) ¹	Operator	Current budget	Invest. as of 31/12/2022	Future investment
Completion 2024		57	3	57
BE		17	0	17
Résidence le Douaire	Vulpia	17	0	17
UK		40	3	40
Hooton Road	Sandstone Care Group	14	0	14
Spaldrick House	LV Care Group	11	0	11
Biddenham St James	MMCG	15	3	15
Completion 2025		7	0	7
BE		7	0	7
Renovation project Orpea Brussels	Orpea	7	0	7
Completion 2026		2	0	2
BE		2	0	2
Renovation project Orpea Brussels	Orpea	2	0	2
Completion 2027		4	0	4
BE		4	0	4
Renovation project Orpea Brussels	Orpea	4	0	4
Land reserve		4	4	0
TOTAL INVESTMENT PROGRAMME		671	191	489
Changes in fair value			-10	
Roundings & other			3	
On balance sheet			184	

Approx. €21.5 million need to be added to the total investment budget given the announcement of new projects after 31 December 2022 (see section 1.1.2 of the 'Financial performance' chapter). Of the total investment budget, approx. €24 million has already been delivered since 31 December 2022 (see section 1.1.2 of the 'Financial performance' chapter).

**GEOGRAPHICAL BREAKDOWN
PIPELINE (%)**



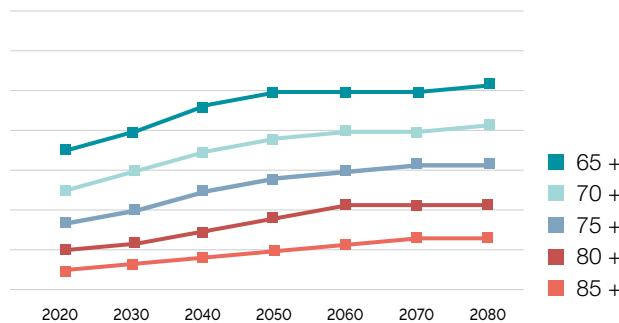
**EXPECTED COMPLETION DATE
PIPELINE (%)**



- 25% Ireland
- 21% Germany
- 19% United Kingdom
- 14% Finland
- 10% Belgium
- 5% Netherlands
- 4% Sweden
- 2% Spain

1.3 Market trends²

POPULATION AGEING IN EUROPE (%)³



European trends

In the European Union, the population of persons older than 80 years of age has increased by approx. 28% over the past decade to more than 27 million people (2022). 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 operators can be divided into three categories: public, non-profit and private operators. Their market share in the various countries differs depending on the local social security system. At European level, private care operators manage approx. 32% of the total number of beds in residential care centres (+400 bps in three years). Care providers in the consolidating private segment are developing their activities in both domestic and foreign markets. European governments are facing the challenge of addressing several key societal needs. As a result, they are more often focusing on financing care and care dependency rather than providing care as public operators. Also, both private and public operators will have to rely more often on private investors to finance healthcare real estate infrastructure that meets the needs of the ageing population.

At European level, the investment volume in healthcare real estate has increased significantly in recent years (e.g. the investment volume for residential care facilities has increased from approx. €2 billion in 2015 to approx. €12.4 billion in 2022). This trend is expected to continue in the medium to long term, as the driving demographic trend of an ageing population will accelerate from the mid-2020s, while development activity to provide more capacity in terms of specific healthcare infrastructure seems to slow down in the short term due to financial market volatility.



CHARLES-ANTOINE
VAN AELST, CIO

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

Militza Brugge -
Bruges (BE)



1. The figures in this table are rounded amounts. The sum of certain figures might therefore not correspond to the stated total. Amounts in £ and SEK were converted into € based on the exchange rate of 31 December 2022 (0.88617 €/£ and 11.17069 €/SEK).
2. This section was prepared by Aedifica based on information from the valuation experts.
3. This chart was prepared using publicly available information from Eurostat.

	Belgium	Germany	Netherlands	United Kingdom
Population aged 80 and over	from 5.6% now to 10.5% in 2060	from 6.8% now to 11.1% in 2060	from 4.8% now to 11% in 2060	from 5% now to 10% in 2060
# care home beds	150,000 units in 1,500 care facilities Based on the demographic forecasts and the increase in life expectancy, the current increase in supply will not meet demand over time.	984,688 units in 16,115 care facilities Forecasts predict that approx. 168,000 extra beds will be needed by 2040, offering significant prospects for growth and consolidation. In some regions, demand already exceeds supply. Opportunities to create new capacity in care homes are limited by the lack of building sites and the high cost of plots and building materials. Consequently, there is currently more investment in existing sites and renovations.	125,000 units in 2,400 care facilities Estimates suggest that around 150,000 additional beds will be needed by 2050 to provide the same level of care as today (on top of the necessary redevelopment of outdated existing care infrastructure). However, the Dutch government plans to limit the number of extra beds in the coming years.	465,000 units in 10,500 care facilities 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.
Operator market	Approx. 30% of the care home beds in Belgium are managed by the public sector, while the non-profit sector and the private sector both operate approx. 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 operates approx. 50% of the beds in Wallonia and even over 60% of the beds in Brussels. The three largest private players in Belgium currently manage approx. 25,000 beds (approx. 17% of the total number of beds).	Approx. 54% of care home beds are operated by non-profit operators, 42% by private operators and 4% by public operators. Although the German market is increasingly consolidating and privatising, it remains highly fragmented, with the ten largest private operators currently holding a market share of only 14%.	Approx. 90% of care home beds are operated by non-profit operators. Private operators account for approx. 10% and mainly operate small-scale sites with an average capacity of 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.	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 14% of the total bed capacity, while the top 10 account for 20%.
Investment volume	€570 million in 2022 (€350 million in 2021)	€2.4 billion in 2022 (€3.8 billion in 2021)	€1.3 billion in 2022 (€1.2 billion in 2021)	£1.6 billion in 2022 (£1.1 billion in 2021)
Prime net yield	4.25% - 4.75%	approx. 4.4%	approx. 4.75%	approx. 3.75% - 4.25% (6.5% - 7.5% for mid-market real estate)
Other remarks	<p>The UK elderly care market is financed by a mix of public (Local Authorities and the National Health Service) and private funds (self-payers). The market share of the latter category has risen sharply in recent years (44%). Persons who meet certain conditions regarding care needs can get social care services from Local Authorities after an assessment of their financial situation (47%). The NHS provides funding to seniors with primary care needs (9%).</p>			

	Finland	Sweden	Ireland	Spain
Population aged 80 and over	from 6.0% now to 12.4% in 2060	from 5.6% now to 9.5% in 2060	from 3.2% now to 11.1% in 2060	from 6.0% now to 13.0% in 2060
# care home beds	75,000 units in 2,600 care facilities The demand for healthcare real estate remains high, while supply is limited.	88,000 units for elderly people and 30,000 units for people with special care needs 60% of Swedish municipalities report a shortage of housing for people with special care needs and 33% report a shortage of housing for elderly people with care needs.	25,875 units in 427 care facilities The demand for healthcare real estate remains high as consolidation by groups continues at pace, while supply is limited. Much of the remaining stock in private ownership is older, and in many cases, not futureproofed.	390,750 units in over 5,530 care facilities and an additional 26,700 beds under construction
Operator market	Finnish well-being services counties – funded through national taxes – are responsible for providing care to residents. Either they provide care themselves as public operators, or they organise care by outsourcing to private or non-profit care operators. Private healthcare operators have a market share of 50%.	Swedish municipalities – financed with public funds – are responsible for providing care to their residents. The focus of municipalities seems to shift to giving freedom of choice so that people can choose their own care provider. Private care operators are a central part of that freedom of choice and have seen their market share rise sharply in recent years.	20% of care home beds are operated by the public sector while 70% are operated by the private sector (split 50:50 between groups and individual operators) and 10% are run by non-profit operators.	62% of care home beds are operated by the private sector, while 38% are operated by the public sector.
Investment volume	€470 million in 2022 (€400 million in 2021)	€410 million in 2022 (€700 million in 2021)	€440 million in 2022 (€625 million in 2021)	€433 million in 2022 (€1.2 billion in 2021)
Prime net yield	approx. 4.25%	approx. 4.25%	approx. 5%	approx. 4.9%
Other remarks	Childcare: in 2021, more than 70% of children aged 1 to 6 were enrolled full or part-time in a day-care centre. Approx. 25% of day care centres are operated by private operators and their share is expected to increase in the future.	All care homes are entered into the 'Nursing Home Support Scheme' (budget of €1 billion for 2023) which provides a guaranteed weekly rate per bed and is supported by government funds to make up the shortfall for any residents that cannot	Investor appetite is still very high – especially in new buildings – as the healthcare market appears to be a safe haven for different investor profiles, backed by the ambitious expansion plans of the main healthcare operators.	

2. Tackling climate change

2.1 Minimising the impact of climate change on our portfolio

Climate change may lead to warmer summers on the European continent, which may require adjustments to buildings to keep indoor temperatures comfortable for building occupants. This is particularly crucial in elderly care, as this vulnerable group is sensitive to high temperatures. This rise in temperatures may lead to a complete rethinking of the way buildings are designed, with more attention paid to active and passive cooling of buildings. Moreover, climate change may lead to sea level rise and extreme weather events that could damage buildings, such as the 2021 floods that affected some of the Group's properties in Germany.

To mitigate climate change risks, we have implemented a building assessment framework (see page 53) that includes a review of 42 risk items, carried out at different stages of the building life cycle. As part of this building assessment, we will conduct a comprehensive climate change risk assessment in 2023 to better understand the physical and transition risks to our portfolio, organisation, and key stakeholders.



Reducing the environmental footprint of our portfolio & our tenants

- (Re)developing energy-efficient buildings
- Investing in energy-efficient installations
- Introducing building assessment tools
- Engaging with operators to reduce their energy consumption

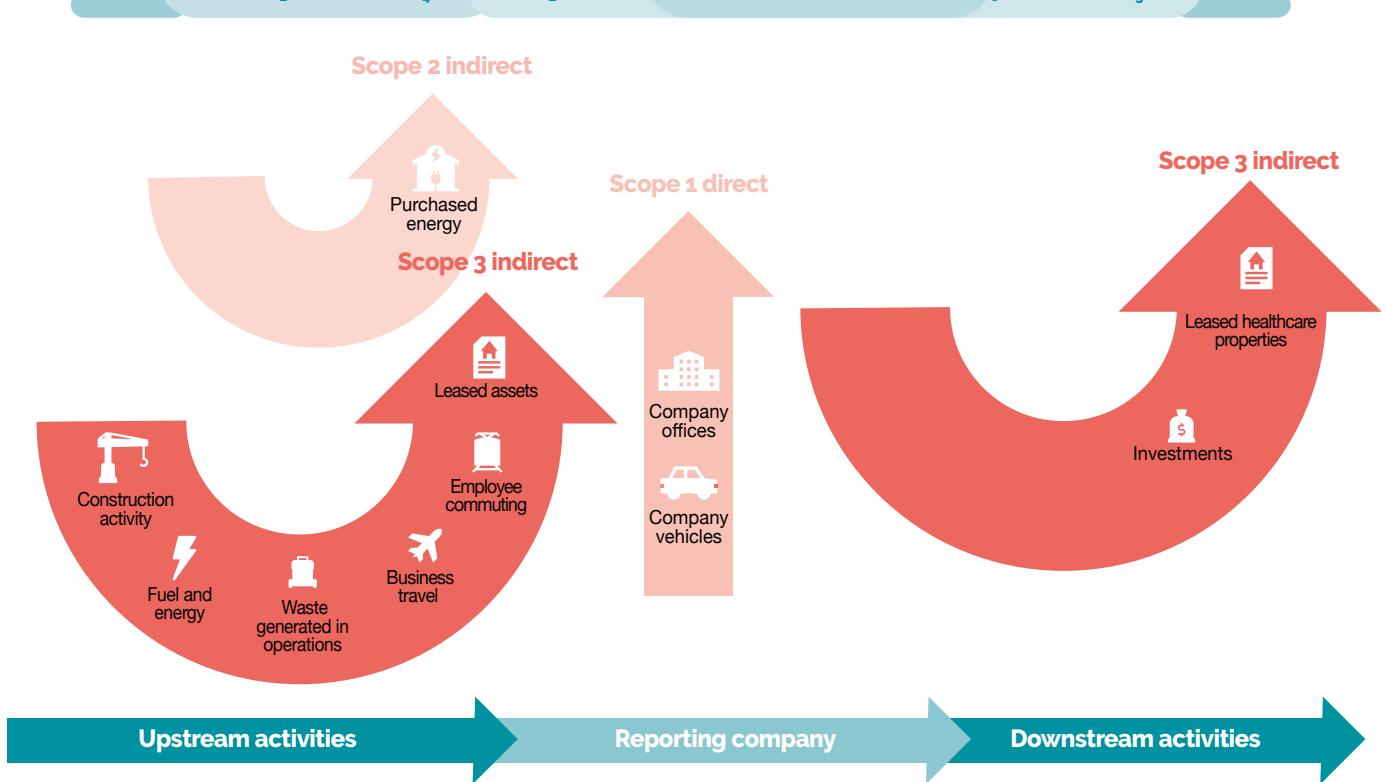
2.2 Reducing our impact on climate change

Aedifica commits to achieving net zero emissions for its entire portfolio by 2050 to meet the objectives of the Paris Agreement and thus contribute to addressing the climate crisis. Reducing the impact of global warming will largely depend on further eliminating greenhouse gas emissions as a result of energy consumption.

The scope 1 and 2 carbon emissions of our business activities are very limited. Aedifica is not directly involved in the operations of its care homes (generating scope 3 downstream emissions). As the operators are responsible for the daily management and maintenance of the buildings (including the technical equipment) and the way they purchase electricity, the Group only has a limited impact on the direct environmental performance of its buildings. However, as a leading healthcare real estate investor, Aedifica takes responsibility and actively cooperates with its operators on how to develop, maintain and operate our assets in an efficient, safe and sustainable manner.

Net zero greenhouse gas emissions do not only refer to direct emissions (scope 1), but also to indirect emissions (scopes 2 and 3). Aedifica's greatest challenge will be to reduce scope 3 downstream carbon emissions (mainly energy consumed by operators and residents) which are more difficult to control. As this requires a comprehensive approach and thorough cooperation with our operators, we have developed a net zero carbon pathway.

Environmental
Data Report
to be published in
June 2023

Energy data coverage evolution¹40%
201843%
201970%
202083%
2021

1. Expressed as a percentage of the number of reporting buildings relative to the total number of buildings in Aedifica's portfolio in the year under review.

2.3 Net zero carbon pathway

In order to achieve carbon neutrality, Aedifica is implementing a net zero carbon pathway addressing every aspect of our business activities. Each of these activities contributes to our goal of reaching net zero greenhouse gas emissions by 2050. This will be a challenging journey in which collaboration and knowledge sharing within the industry is essential. Aedifica is committed to accompanying its stakeholders on this journey.

As a property owner, Aedifica's main objective over the next 10 years is to reduce the net energy use intensity (nEUI) of its portfolio:

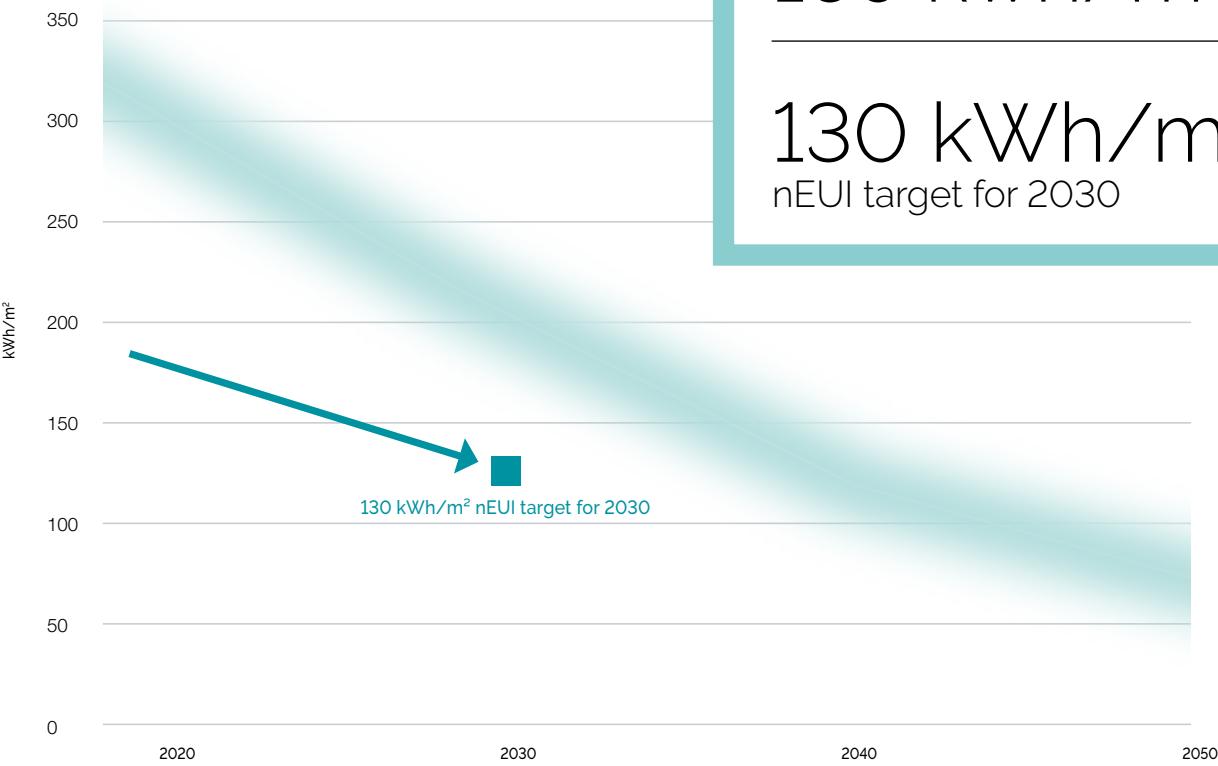
- by upgrading buildings to reduce gross energy demand;
- by generating renewable energy on site to reduce net energy demand from the energy grid.

Moreover, purchasing green energy to meet the remaining net energy demand will have an additional positive impact on decarbonisation. The science based Carbon Risk Real Estate Monitor (CRREM) serves as a tool and benchmark in the annual evaluation of building performance and to guide portfolio development in the various countries where Aedifica operates.

An interim target was set for 2030 to reduce nEUI for the entire Aedifica portfolio to an average of 130 kWh/m², while long-term targets were also set for the Executive Committee.

Business activities	Actions to take this decade
Development	<ul style="list-style-type: none"> • Perform lifecycle assessments • Implement sustainable development guidelines • Introduce a building passport to measure embodied carbon
Acquisitions and divestments	<ul style="list-style-type: none"> • Perform ESG assessments for acquisitions • Use CRREM-based pathways
Standing investments	<ul style="list-style-type: none"> • Roll out building assessment tool • Benchmark performance • Set country and asset level targets • Green investments
Collaboration with operators	<ul style="list-style-type: none"> • Roll out green lease contracts and educate operators • Organise Operator Days • Exchange utility data (digitally)
Management operations	<ul style="list-style-type: none"> • Monitor and off-set carbon impact • Educate employees • Update green travel policies

PATHWAY TO NET ZERO GHG EMISSIONS IN THE EUROPEAN HEALTHCARE SECTOR¹



1. The bandwidth shows the combined pathways committed by the different governments for the healthcare sector in their countries (the eight countries where Aedifica operates) as part of the Paris Accord, expressed in net energy use intensity (kWh/m²).

2. This emissions data refers to the year 2021 and will be updated in the Environmental Data Report to be published in June 2023.

2.4 Building assessment framework

Aedifica has developed a building assessment framework that provides our technical property management team with a structure to monitor the quality of each building. Although Aedifica is not directly involved in the operation of our care homes, we have an impact on how infrastructure is designed, built and maintained in accordance with evolving regulations and current construction techniques. The building assessment framework is based on three pillars: proper monitoring of the overall maintenance condition, the energy consumption and sustainability character of our buildings and their compliance with all applicable regulations.

The sustainability pillar of the building assessment framework provides local Aedifica teams with a roadmap for minimising the environmental impact of their respective portfolio. This framework

defines technical requirements for energy efficiency, environmental aspects (e.g., measures to reduce water consumption and improve biodiversity), health criteria (e.g., ventilation rates for air quality) and quality of life criteria for residents (e.g., accessibility) for future development projects. Our development projects in the Netherlands generally already meet most of these criteria, as the Dutch version of our sustainable development framework is similar to the GPR standard.

Moreover, as part of the building assessment, we also carry out a review of 42 risk items. For each development, acquisition and standing investment, we assess a spectrum of potential risks, including loss of general use of the building, flood risk, stability risk, fire risk, explosion risk, environmental impact, energy/sustainability certification and health and safety issues.

Building assessment framework



MAINTENANCE

- Detailed desktop and on-site condition assessments according to the principles of the NEN2767 standard.
- On-site visits conducted by our operations team or independent third parties.
- Uniform approach across the countries where Aedifica operates.
- Follow-up actions with operators.



SUSTAINABILITY

- Energy data collection and validation on annual basis.
- Evaluating the progress of the net zero carbon pathway using the science based CRREM tool.
- Assessing climate change risk adaptation.
- Defining and implementing sustainable development guidelines per country.
- Energy labels and energy audits provide input for measures needed to improve energy efficiency (including on-site renewable energy generation) as well as input for the CRREM pathways per asset.



COMPLIANCE

- Legislation and risk framework – a standardised matrix (adapted to local and regional legislation and regulations) to check a building for compliance. This ranges from building permits and elevator certificates to flood risk assessments.
- Ensuring structural and facility compliance to guarantee the health and safety of residents and employees by monitoring and supporting operators in their responsibilities for the technical management of buildings.

2.5 Walking the talk

At every stage of our value creation process, we strive to reduce our impact on the environment by acquiring efficient buildings and (re)developing buildings to optimise energy consumption, user comfort and reduce operating costs for operators.

Seniorenhaus Lessingstrasse

- Development project
- Location: Wurzen – Germany
- Completed in February 2022
- Capacity: 73 residents
- Investment: approx. €7 million

Seniorenhaus Lessingstraße in Wurzen is the first of its kind to meet the high energy efficiency standard 'KfW-EH 40'. With an energy demand of only 40% of a comparable reference building – according to German sustainability regulations – this care home has an estimated net energy use intensity of 85 kWh/m².

Aedifica has also invested in renewable energy sources: energy for heating the building is provided by a biomass installation and the roof is equipped with a 67kWp solar panel system. The care home features a loggia, optimising solar exposure and natural daylight. Moreover, the building has a highly insulated and compact envelope. The central ventilation system is equipped with heat recovery and can also be used for cooling.

Heerenhage

- Redevelopment project
- Location: Heerenveen – Netherlands
- Completed in June 2021
- Capacity: 126 residents
- Investment: approx. €22 million

Heerenhage in Heerenveen was completely redeveloped by Aedifica into a sustainable and energy-efficient care campus with 126 apartments for the elderly. With a net energy use intensity of approximately 70 kWh/m², the site was awarded an EPC label 'A' on completion.

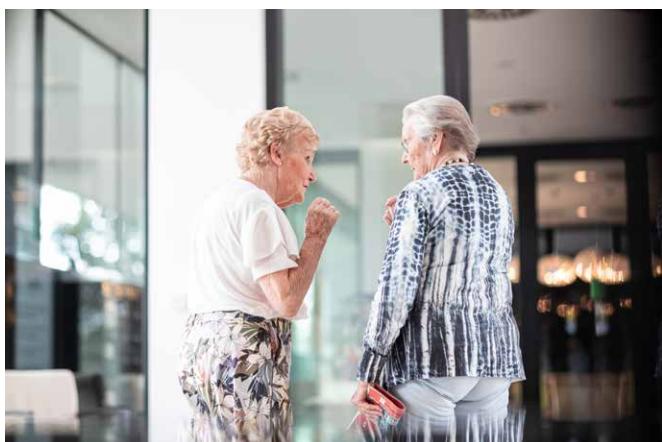
The care campus was built with a high level of compactness and a thoroughly insulated envelope to minimise energy demand and meet (future) comfort requirements as effectively as possible. To meet the remaining energy demand as sustainably as possible, the building was fitted with solar panels and a groundwater heat pump was installed for both space heating and hot water.

Dundalk Nursing Home

- Acquisition
- Location: Dundalk – Ireland
- Acquired in September 2022
- Capacity: 130 residents
- Investment: approx. €21.5 million

Dundalk Nursing Home in the Irish city of Dundalk was acquired by Aedifica in mid-2022. With a net energy use intensity of approximately 85 kWh/m², the newly constructed building was awarded an A3 Building Energy Rating (BER).

Besides a thorough insulation of the building envelope, investments were made in renewable energy technologies. Air source heat pumps provide space heating, cooling and hot water. In addition, space heating is distributed at low temperature through an underfloor heating system. A hybrid ventilation system ensures optimum indoor air quality in both private rooms (type C) and communal areas (type D with heat recovery). To reduce electricity consumption, the entire building was equipped with LED lighting.



Partners



1. Our key stakeholders

Aedifica is committed to bringing together the various stakeholders who have an impact on the daily lives of the residents and care staff who live and work in our buildings. We aim to be a partner to all of these stakeholders, actively listening, sharing information and educating them on the latest trends in the real estate industry. Above all, relationships with our operators and communities are essential to creating long-term sustainable value.



Stakeholder	Mode of engagement	Frequency	Main topics / expectations
Employees	<ul style="list-style-type: none"> • Performance appraisal • Employee survey • Day-to-day communication • Townhall meetings • Newsletters • Aedifica Academy • Community Days 	<ul style="list-style-type: none"> • Annually • Daily 	<ul style="list-style-type: none"> • Labour conditions and benefits • Employee well-being • Employee satisfaction and engagement • Corporate performance • Personal performance • Personal development, training and development • Job promotion • Brand and values • Community involvement
Operators	<ul style="list-style-type: none"> • Site visits • Buildings condition check • One-to-one meetings • E-mail exchange • Operator days • Events • Engagement surveys 	<ul style="list-style-type: none"> • Quarterly • Annually • Continuous informal contact 	<ul style="list-style-type: none"> • Permits • New developments • Energy and water consumption • Occupation rate • Building conditions and relevance • Quality of care
Shareholders	<ul style="list-style-type: none"> • General assembly • Investor relations contact 	• Regularly/quarterly	<ul style="list-style-type: none"> • Corporate performance • Corporate governance questions • Role in society
Authorities	<ul style="list-style-type: none"> • Industry roundtables • One-to-one meetings • Compliance screening 	• Occasionally	<ul style="list-style-type: none"> • EU taxonomy • RREC regulation
Financial institutions	<ul style="list-style-type: none"> • Key account managers • Roundtables/events 	• Regularly	<ul style="list-style-type: none"> • Long-term financing • Risks • Corporate financial performance • ESG KPIs
Suppliers & business partners	<ul style="list-style-type: none"> • Charter for Responsible Supplier Relations • One-to-one meetings • Project development • Tenders 	• Regularly	<ul style="list-style-type: none"> • Project development • Compliance with elderly healthcare standards • Health and safety • Environmental impact • Business ethics
Associations & industry organisations	<ul style="list-style-type: none"> • Membership meetings • Thematic events • One-to-one meetings 	• Occasionally	<ul style="list-style-type: none"> • Regulation • Market trends
ESG analysts	<ul style="list-style-type: none"> • Assessment questionnaires • Thematic events • One-to-one meetings 	• Annually	<ul style="list-style-type: none"> • Questions, expectations regarding licence to operate • ESG assessment • Community involvement
Society	<ul style="list-style-type: none"> • Internet • Various communication channels (press release) • Schools, universities • Social media • Memberships 	• Regularly/monthly	<ul style="list-style-type: none"> • Corporate performance • Role in society • Role of women in management • Community involvement
(Non-)residential care clients	<ul style="list-style-type: none"> • Community engagement programme 	• Occasionally	<ul style="list-style-type: none"> • Role in society • Community involvement • Research (future) needs • Quality of care

2. Strengthening relationships

2.1 Operator engagement

Partners in healthcare real estate

We are continuously committed to our partners by reaching out to them proactively and maintaining good relationships. In this way, we seek to understand their needs and discuss the issues they find important. This open attitude underpins the Group's identity and long-term vision.

Building and strengthening relationships with our operators and communities is essential for creating long-term sustainable value. Understanding the needs we have to meet helps us provide them with tailor-made real estate solutions that help them succeed and create value for society.

Ensuring quality of care in our properties

Aedifica's corporate mission is to provide sustainable real estate solutions to our partners so that they can care for and assist people in a safe and well-developed infrastructure that contributes to their dignity and quality of life. As the well-being of the care user is the top priority, we also focus on the care provided in our homes.

32%
of our properties have
leases with a quality-
of-care commitment

As of 2022, we are therefore amending our lease agreements to include an explicit commitment from tenants to:

- provide quality care to the residents in our properties in accordance with the fundamental care standards that apply;
- subscribe to the ethical principles set out in our Charter for Responsible Supplier Relations (see page 65).

We also make agreements with our tenants to share reports of care inspections in order to better monitor the quality of care that is provided in our homes.

Over 32% of the leases in our portfolio already include an express commitment by the tenants to observe the quality-of-care standards and report on care inspection reports.

't Spelthof - Binkom (BE)



Operator Days

Aedifica understands the challenging context in which our operators have to work every day. Their priority is providing healthcare to people in need and not necessarily the administration and technical maintenance of our buildings. To support our tenants with their real estate issues, Aedifica therefore organises Operator Days in every country where it operates.

Once every three years, Aedifica invites representatives of its tenants to participate in Operator Days to exchange knowledge and best practices. Topics covered include:

- efficient property management;
- investments in innovation;
- new real estate-related care solutions;
- climate change risks and opportunities.

By organising these Operator Days in each region where we operate, we can share the knowledge we have gained in different regions and through collaboration with multiple operators.

Operator Days in the UK & Belgium

In 2022, Aedifica organised an Operator Day at The Shard in London. More than 100 representatives of our tenants participated.

In March 2023, Aedifica has already organised two additional Operator Days in Ghent and Leuven for its Belgian tenants. These two editions were also a success with over 300 representatives attending.



Panel at the 2023 Operator Day
in Ghent (Belgium)

Operator survey: measuring success

Every two years, Aedifica conducts a dedicated operator engagement survey to better understand areas where we can further improve our organisation and collaboration. As the last survey was carried out in 2021, we will conduct a similar survey in 2023 to update the findings, compare the results and identify key trends in the healthcare sector.

The survey results provide useful insights into our current services and interactions, as well as potential additional operator needs and strategic priorities. Once received, the results are analysed and discussed within the Aedifica teams and with the operators themselves. By developing country-specific action plans, these results serve as the basis for improvements in Aedifica's cooperation and dialogue with its tenants.

Focus on the long term

Aedifica focuses on long-term investments. This significantly influences the type of facilities we buy or develop, but also the type of relationships we want to build and maintain with our operators. For this reason, we always analyse the operator's business plan at the beginning of a project.

We typically enter into long-term triple net leases with care home operators. This means that these operators are responsible for the day-to-day management and maintenance of the buildings. We, on the other hand, focus entirely on optimising the buildings and the relationships with our operators. We continuously track trends and research the needs of (future) care home residents so that we can align our investments in healthcare real estate accordingly.

Our operator engagement survey found that environmental performance is not among our operators' top five priorities. But 55% of respondents said they are committed to achieving net zero emissions under the Paris Agreement. As landlord, this means that we will need to work together with our tenants to achieve this overarching goal, discuss green investment opportunities and assess property intensities to identify inefficiencies.

Green lease agreements

In that respect, Aedifica has developed a common frame of reference for cooperation with our operators, which includes reciprocal obligations (e.g. sharing energy data, exchanging best practices, refraining from doing construction works that negatively affect the environmental performance of buildings) on the one hand, and recommendations that provide guidance on how to further improve the environmental performance of the assets on the other hand. This common frame of reference has taken the form of a green lease annex that will become an integral part of the leases in each of the countries in which Aedifica operates.

The green lease annex was completed in the course of the 2022 financial year. Over 17% of the leases in our portfolio already have the green lease annex.

Going green

In terms of scope 3 downstream emissions, in our case primarily consisting of emissions from operating care homes (see page 50-51), Aedifica continuously works with its tenants to review Building Assessment results and improve energy efficiency. While the nature of our leases does not allow us to directly intervene in the way tenants operate our buildings, in more and more cases we are finding a common goal in energy efficiency. 2022 was another challenging year for operators partly due to higher energy costs. The need to reduce net energy consumption while providing comfortable homes for residents led to an increased focus on finding energy efficiencies, which ultimately support our goal of reducing our carbon emissions.

In an increasing number of cases, cooperation in this area, institutionalised through the green lease agreement (see above), has led to further steps towards energy efficiency, by agreeing to implement the recommendations of energy efficiency audits by operators, with relatively short payback periods. This process encourages innovation, reduces operating costs and is consistent with Aedifica's commitment to reduce carbon emissions.

At Aedifica we are committed to:

- sharing best practices and benchmarking energy and water intensities;
- formalising environmental collaboration in the form of green leases;
- discussing CSR issues with local teams during Asset Management meetings and Operator Days.

17%
of our properties
have a green
lease annex

+100
participants
Operator survey response

Top priorities:

1. Access to qualified staff
2. Improving occupancy
3. Improving resident satisfaction



ATTILA YÜCEL,
TECHNICAL ASSET
MANAGER

**We will need to work closely together
with industry partners to minimise our
collective environmental impact.**

Green investments

Saamborgh Almere Buiten

In March 2022, a brand new Aedifica care home opened its doors in the Dutch city of Almere. After a construction period of about a year and a half, the care property located near Meridiaanpark is ready to welcome 38 elderly people requiring continuous care. Thanks to Aedifica's investments in sustainability and comfort, this nearly zero-energy building effortlessly achieved GPR certification.

More than 80% of the energy demand of the building's fixed installations (space heating and cooling, hot water, lighting and ventilation) is provided by renewable energy sources, earning this project an A++++ energy label. As a result of these green investments, the net energy consumption intensity – including plug load – is well below 50 kWh/m².

To reduce energy consumption, investments were made in extensive insulation of the building envelope and a balanced ventilation system with heat recovery. The building is not heated with gas, but with a geothermal heat pump. Geothermal energy is also used to cool the building. To meet the site's remaining energy needs, the roof was equipped with solar panels for electricity and solar collectors for hot water supply.

Like our other recent development projects in the Netherlands, Saamborgh Almere Buiten also obtained a GPR certificate (Gemeentelijke Praktijkrichtlijn: Municipal Code of Practice). This certificate focuses not only on energy performance, but also on environmental, health, quality of use and future value parameters.

“

13 buildings in our Dutch portfolio have now obtained GPR certification. Together, they achieve an average GPR score of 8.

Martijn Mortier,
Property & Project Manager

Saamborgh Almere
Buiten - Almere (NL)



<50 kWh/m²
net energy use intensity

Renewable
energy sources

A++++
energy label

2022 Community Days
in Belgium

5
care homes

44
participants

189 hours
of volunteering

2.2 Community engagement

Aedifica cares about society and the communities in which it operates. We do this not only by financially supporting a number of charities every year, but also by organising 'Community Days' in which our employees contribute to the well-being of our community in a tangible way.

Community Days

Through Aedifica's Community Days programme, our employees have the opportunity to spend one working day a year volunteering in one of our care properties. This not only allows them to better understand and sharpen their connection with the communities in which we operate, but also allows them to actively contribute to the well-being and health of the residents of our buildings. It also gives our staff a better idea of how we can make our properties even more responsive to the needs of the elderly, thus improving their quality of life.

During a Community Day, a small group of employees visit an Aedifica care property to support as volunteers during entertainment activities, talk to residents and do small chores. In doing so, the programme is always tailored to the needs of the care property and its residents.

In December 2022, Aedifica organised the very first edition of its Community Days in Belgium. During nine days, 44 employees visited five different care homes and performed 189 hours of volunteer work. Both the Aedifica team, the residents and the operators of the care homes were enthusiastic about their experience. Their response was so positive that the programme will be continued in 2023 and rolled out to other countries in which Aedifica has a local team.

The programme varied depending on the venue:

- colleagues helped care workers to make beds, serve meals, organise entertainment activities, chat with residents and therefore were able to participate in the daily life of a care home;
- other colleagues assisted with specific entertainment activities by preparing parties or transporting residents to a Christmas market and taking them for a walk.



NINA FERIDOONI,
PROPERTY
ADMINISTRATOR

For my work, I have often visited care homes, but now I finally had the chance to sit down with residents and chat with them. It was also very nice to get to know my colleagues in a different way.



LORIS POLINO,
ACCOUNTANT

Personally, I rarely visit care homes, so I didn't really know what to expect. It was heartwarming to see how residents feel so at home thanks to the care staff and how happy they were that we were there that day to help them and play games together.

Supporting charities

Through financial support to charities, partnerships with non-profit organisations and in-kind donations, Aedifica brings positive, sustainable change to society. In addition, Aedifica regularly supports charitable initiatives set up by its employees by matching the amount raised.

In 2022, Aedifica focused its support to charities on three central themes: improving the quality of life of those in need of care, supporting local communities, and innovation in the healthcare sector. In addition, we have supported the victims of the war in Ukraine.

Improving the quality of life of those in need of care

Drawing on research that demonstrated improvements in the social and emotional skills of Alzheimer's patients through music therapy, classical concerts were organised in six Dutch care residences in collaboration with the **Philomela Foundation**. We also supported victims of domestic violence residing in the **Pääkaugin Turvakoti** shelter in Helsinki. Our contribution enabled the shelter to purchase, among other things, digitisation screens. Lastly, we provided financial support to **Escalpade**, a Belgian non-profit organisation that organises care, leisure and educational activities and builds adapted schools for people with disabilities.

Supporting local communities

Aedifica helped children in poverty by contributing to **Rackets Cubed**, a UK-based charity that runs sports, education and nutrition programmes. In Germany, we donated to food bank **Frankfurter Tafel**. We also provided support to socially vulnerable mothers and their children through **Nasci** and **Mamma United**. These Belgian and Swedish organisations address poverty and social exclusion by providing low-threshold first-line assistance. Moreover, Aedifica matched the amount raised by its staff during the '**Warmest Week**', a Belgian event that provides financial support to more than 270 projects fighting poverty.

Promoting innovation in the healthcare sector

Aedifica contributes to innovation within the healthcare sector not only with its sustainable real estate concepts, but also by supporting research and development. This year, we donated to the **Leuven Brain Institute**, which is carrying out research at KU Leuven to find solutions for brain diseases including Alzheimer's, Parkinson's, MS, ALS, depression.

Support for victims in Ukraine

Finally, we also provided support to victims of the war in Ukraine. In addition to financial support to Ukrainian children and refugees through **UNICEF** and **UNHCR**, Aedifica also provided material support through **BEforUkraine**, a Belgian non-profit organisation that sends medical supplies to Ukraine and facilitates the accommodation of refugees in Belgium.

€60,000
in charity donations in
2022

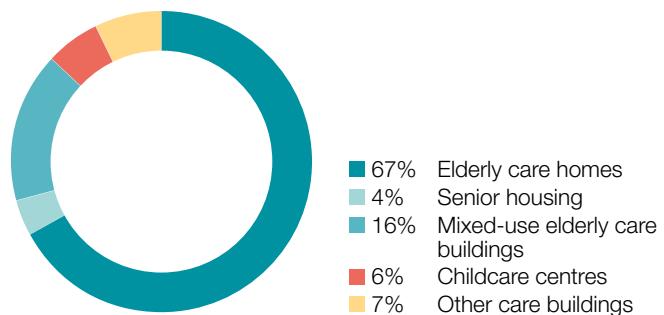
Contributing to society by providing qualitative care properties

As an investor in healthcare real estate, Aedifica contributes to a better society by developing innovative residential care concepts for a wide range of care clients. Our primary focus continues to be on the elderly who require various types of residential care.

In recent years, Aedifica has also focused on other types of housing and care facilities, including care facilities for people with disabilities, child day-care centres and schools.

In 2022, over 622 properties provided a home to nearly 35,600 residents across Europe, while over 11,500 children were able to take their first steps in our childcare centres.

BREAKDOWN BY FACILITY TYPE IN FAIR VALUE (%)



Community engagement, impact assessments and development programmes

Comty-Eng

Aedifica makes active efforts to have a positive impact on local communities. See the notes in the 'Community engagement' section for more details on our community actions.

Headquarters

100%

Portfolio

100%

Music therapy for care home residents by Stichting Philomela



2.3 Industry engagement

Sharing expertise

As a leader in healthcare real estate, we have a responsibility to invest in our sector, to share knowledge and collaborate with key stakeholders. We do this not only by organising Operator Days (see above), but also by supporting sector associations, participating in industry events and sharing knowledge in panels, seminars and university programmes.

Aedifica is one of the founding members of the **Senior Housing & Healthcare Association (SHHA)** This European association aims to bring together industry leaders (both operators and investors), share insights with the wider market, help create research and data, and encourage best practices. By doing so, the association also aims to create a wider reach for investment and increase investor confidence and engagement in the sector. In 2022, Aedifica not only collaborated on a number of SHHA publications, but also participated in panel discussions organised by the association.

We also participate in **sector events**. In 2022, Aedifica's senior management took part in several events related to real estate and investment. Not only to represent the company, but also to participate in panel discussions and conduct workshops. Moreover, at one of our Belgian properties we also organised a sector event ourselves on the possibilities of innovative healthcare real estate to support inclusive care.

Moreover, our senior management is also involved in **various training and university programmes**. CEO Stefaan Gielens is a frequent guest speaker in the postgraduate programme in real estate studies at KU Leuven while other Executive Committee members and country managers also regularly share their knowledge in seminars and education programmes. In addition, each year, we welcome interns to our offices and offer them the opportunity to gain valuable experience in an international work environment.

Driving our CSR approach into the value chain

To further embed sustainable best practices in the real estate market, we have developed a Charter for Responsible Supplier Relations inspired by the United Nations Global Compact (UNG). It clarifies the social, ethical and sustainable responsibilities of suppliers when working with Aedifica. This includes adherence to Aedifica's business ethics, compliance with labour standards, our anti-bribery and corruption policy and our human rights policy, providing a healthy and safe workplace, and minimising the environmental impact.

Through this Charter for Responsible Supplier Relations, Aedifica aims to provide a framework for its main partners in all countries where it operates to jointly respect and promote the 10 fundamental UNGC principles. In addition, Aedifica itself is also making various commitments to build sustainable and balanced relationships with its suppliers.



Inspiration session on healthcare and real estate organised by the Belgian team

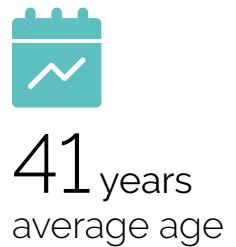


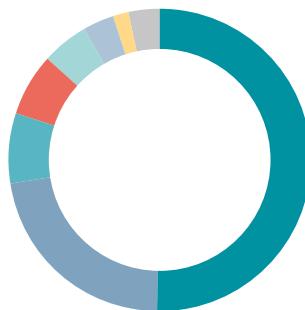
THOMAS MOERMAN,
GROUP GENERAL
COUNSEL &
COMPLIANCE
OFFICER

This Charter for Responsible Supplier Relations provides us with a solid framework for promoting our commitments to sustainable business practices with our partners, who we expect to share and support the same values as Aedifica.

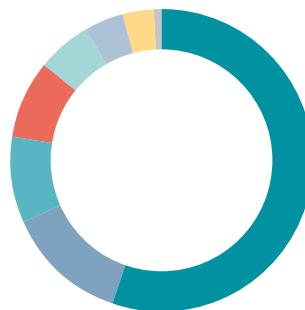
Organisation

1. Our team

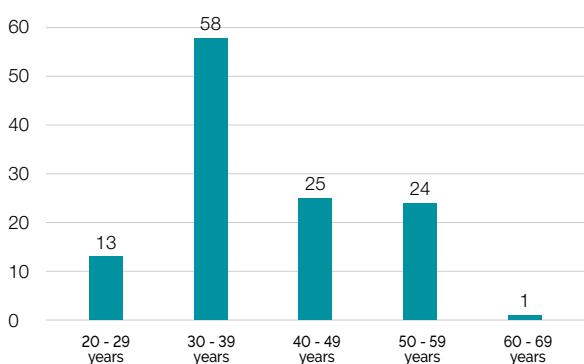


NATIONALITIES

Nationality	Count
Belgian	61
Finnish	27
Dutch	9
British	8
German	6
Swedish	4
French	2
Other	4

BREAKDOWN OF STAFF BY OFFICE

Office	Count
Brussels	67
Oulu	16
Espoo	11
London	10
Amsterdam	7
Frankfurt	5
Stockholm	4
Bremen	1

AGE OF STAFF

8
offices across
Europe



2,020 hours
of training (+7%)



STEFAAN GIELENS,
CEO

With this new way of working, Aedifica is equipped to continue its growth trajectory in a sustainable way. Our new structure leverages the strengths we have built up over the years and provides a platform for sharing knowledge and best practices.

The Aedifica team consists of 121 employees spread across eight different offices in six countries. Besides the head office in Brussels, we have established local teams in Germany, the Netherlands, Finland, Sweden and the UK. In addition, we have opened a ninth office in Berlin in January 2023.

As Aedifica has grown strongly in recent years and moved into new countries, we transformed our hierarchical structure into a functional matrix in 2021. Our objective in doing so was to be as efficient and customer-focused as possible. Moreover, the structure also had to be scalable to new countries, once we have been able to build a sufficiently large portfolio there.

Within the new structure, each local team concentrates on Aedifica's core activities, while for support services (Finance, Legal, HR, IT, etc.) it calls on the head office in Brussels.

To support the local teams in their business activities, 'centres of excellence' were established, bringing together the expertise and know-how of the different country teams and encouraging further cooperation and communication. These centres of excellence are coordinated by the head office and cooperate with country representatives.



20
average hours
of training per
employee (+14%)

2. Making our people thrive

2.1 A great place to work

Employee survey

Retaining engaged and motivated staff is key to our company's success. Therefore, in 2022, we organised an employee survey for the second year in a row in collaboration with an independent third party. This provided valuable insight into the priorities of our people and how effectively we were meeting them. It also provided us with the right tools to improve staff well-being and create a happy workforce.

This year, we further expanded the scope of the survey: in addition to employees in Belgium, Germany and the Netherlands, teams in the UK and Sweden were now also surveyed. Following an in-depth analysis of the company's culture, the survey evaluated our workplace in terms of the level of trust that employees experience in their leaders, the level of pride they have in their jobs, and the degree to which they value their colleagues.

With a 92% participation rate, our second survey was again a great success. 82% of staff reported that they were proud to work for Aedifica, with almost nine out of ten employees confirming that they would recommend Aedifica as a great place to work.

Aedifica was therefore recognised as a great place to work for the second year in a row, allowing the company to carry the Great Place to Work® Certified label through 2023.

Top survey results:

- pride, honesty, trustworthiness, comradeship and respect emerge as focus areas with the best scores;
- people are treated fairly regardless of sexual orientation, race and gender;
- management is competent running the business;
- this is a physically safe place to work.



WERNER
DIGNEF,
HR MANAGER

We are delighted that our staff have recognised Aedifica as a 'Great Place to Work' for the second time in a row. I would like to thank all employees for the enthusiasm and commitment they bring every day to make Aedifica such an enjoyable and vibrant place to work.



9 out of 10
employees would
recommend Aedifica as
a great place to work

A diverse organisation

Aedifica believes that diversity, equal opportunities and respect for everyone are fundamental to the proper functioning of the company at all levels, i.e. at the level of its employees and the country managers, but also at Board and Executive Committee level (see pages 108-109). Indeed, when selecting employees and country managers, in addition to the individual skills and competences of a candidate, diversity in all its forms is considered so that a complementary team can be established with a good spread in terms of gender, age, education, cultural background, etc.

This vision has resulted in a harmonised team that is made up of people from different educational and cultural backgrounds, with

a good mix of experience and a balanced gender ratio. Our strong focus on diversity fosters internal creativity, enriches the internal dynamics within Aedifica and contributes strongly to the growth of the Company. This is substantiated by our recent employee survey showing that our employees feel fairly treated, regardless of their race or sexual orientation.

In 2022, we had 121 employees of 11 different nationalities working at Aedifica (see page 67). During the year, we welcomed 21 new employees to Aedifica as part of our onboarding programme. 37% of our employees are female.

HR selection policy

Focus on diversity

=

Focus on complementarity of multiple diversity aspects

Competences

National & international experience

Personality & profile

Expertise & integrity



Attractive remuneration

Our employees' remuneration consists of a fixed and a variable salary, supplemented by fringe benefits (such as a mobility budget, private health insurance and group insurance). The specific components of the remuneration package may vary from country to country, taking into account local legislation and the social security system. In principle, all staff are employed on an open-ended employment contract. Employees' variable remuneration is linked to individual performance and is paid annually.

Belgian employees benefit from a non-recurrent result-based bonus plan linked to pre-defined collective targets (a mix of financial and non-financial KPIs). Finnish and Swedish staff members benefit from an equity incentive plan based on pre-defined targets related to investment capex and EBIT margin.

Equal pay

How well employees are paid is directly related to their motivation, but this only works if they are treated fairly and equally. This is why we believe in equal pay for equal work, regardless of gender. Aedifica conducts an annual gender pay gap analysis to identify potential imbalances. The female-to-male pay ratio among employees improved from 75% in 2021 to 81% in 2022. That difference stems from a higher number of men in senior management. In equal positions, pay is similar and based on objective criteria such as qualifications, experience and ability, regardless of the employee's gender.

Employee new hires & turnover

Emp-New Hires & Turnover in 2022	Number	Rate
New hires	21	17.3%
Employee turnover	15	13.5%

Employee gender diversity (Diversity-Emp)¹

Diversity-Emp in 2022	Women		Men	
	(headcount)	(%)	(headcount)	(%)
Employees ²	45	37%	76	63%
Executive Committee	1	20%	4	80%
Board of Directors	5	42%	7	58%

Gender pay ratio (Diversity-Pay)

Diversity-Pay in 2022	# people	Gender ratio	# FTEs	Remuneration %
Employees ³				
Women	45	37%	37.15	81%
Men	76	63%	72.15	
Executive Committee ⁴				
Women	1	25%	1	119%
Men	3	75%	3	
Board of Directors ⁵				
Women	4	67%		111%
Men	2	33%		

Training and development (Emp-Training)

Emp-Training		
(1 Jan. - 31 Dec. 2022)	#	%
Total number of employees ⁶	121	
Number of employees who followed training	100	82.6%
Total number of training hours	2,020	
Average hours of training per employee	20.2	
Total number of training hours – women	685	34%
Total number of training hours – men	1,335	66%

Employee performance appraisals (Emp-Dev)

Emp-Dev	100% of the staff receive performance and career development reviews (formalised once a year)
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2.2 Talent development

At Aedifica, we have created a workplace culture in which employees receive continuous feedback, in addition to a formal annual performance review by their manager. In 2022, 100% of our employees received a performance evaluation and development review.

As well as bringing in new talent, we have continued to invest in and develop our current employees, with five employees over the last 12 months receiving a promotion or opportunity to move roles internally within Aedifica. Aedifica actively supports internal staff rotation, as it typically leads to improved skills and a better understanding of the company culture and internal processes.

Aedifica Academy

In 2022, Aedifica Academy was launched with the aim of promoting the personal growth and development of our employees and further optimising our organisation. This training programme not only consists of a series of mandatory training courses on key topics within the company and the industry, but also allows employees to create their own personal and professional development programme. Aedifica Academy builds on Hoivatilat Academy, which our Finnish colleagues established three years ago. In 2022, Aedifica employees received an average of 20.2 hours of training per person, a 14% increase compared to 2021 (17.7 hours).

Mandatory courses

- Compliance training was offered to all employees within the Group. This training refreshed employees' knowledge of the rules in the Code of Conduct, Anti-Bribery and Corruption Policy, Privacy Policy, Dealing Code and Anti-Money Laundering Policy.

Optional courses

- An 'Introduction to Investment Analysis' course was offered to all employees working in Belgium. In this course, employees discover how investments are analysed while applying the theoretical approach to real-world case studies. In addition, the various steps in analysing a new country are also discussed.
- Social media training was offered to the Finnish team. This course discussed the role and possibilities of social media and provided best practices so that employees can contribute to the company's online visibility.
- Employees are encouraged to supplement their own programme in the Academy: in addition to optional courses offered by the Company, employees can also take external courses. These include job-specific training, such as postgraduate programmes in (healthcare) real estate at KU Leuven, as well as soft skills courses.

1. As of 31 December 2022.
2. Including the Executive Committee.
3. Excluding the Executive Committee.
4. Excluding CEO.
5. Excluding Chair of the Board and Executive Committee members.
6. At the end of the reporting period in FTE.

2023 programme

- The 'Introduction to Investment Analysis' course was already offered to all Belgian employees in 2022 and to the teams in the Netherlands and Germany during the first months of 2023. Our other local teams will also have the opportunity during the year.
- Building on the success with the Finnish team, a course on social media will also be offered to the other teams in the second half of the year.
- Other courses will be added to our programme during 2023.



JUHO MALMI,
MARKETING
MANAGER

With the social media training, we wanted to encourage our employees to become ambassadors of our company. We already noticed that people have become more active on social media, which also creates more visibility for us.



FILIP DE
CLERCQ,
INVESTMENT
MANAGER

A good understanding of the rationale behind our investments is essential for everyone working at Aedifica. It is great to see that after the training, employees from all departments can now identify even better with our investment approach.



Townhall meetings

We have revised our approach to formal internal communications to provide consistency and clarity to set pieces such as interim and end of year results. This ensures that our strategy is clear and is supplemented by a series of more informal, topical and creative interventions to engage and inform our people on a range of initiatives, ideas and business updates.

In 2022, we organised 9 townhall meetings in total. In addition to discussing the financial results every quarter, town hall meetings were organised on the results of the employee survey, our CSR strategy, innovations to our corporate structure and market trends within the sector.

2.3 Health & well-being

At Aedifica, we take 'housing with care' seriously in all our business activities. The care principles we apply to our real estate portfolio also apply to our own workforce. By looking after the health and well-being of our employees, we ensure that Aedifica remains an attractive place to work. By embedding our corporate values into our operations, we aim to remain a leader in the healthcare real estate sector.

Employee health & well-being

A Health & Well-being Committee was established in 2021 and met two times in 2022. The Committee includes members of the Human Resources department, head office staff, and representatives of our local teams. The Committee has been working on our employee engagement programme and have prepared an action plan based on the results of the annual employee engagement survey in early 2022. The employee engagement programme will cover topics such as work-life balance, health and safety in the office, employee growth and development, and employee recognition. The committee has already launched a number of initiatives in 2022, such as healthier snacks in the office, the telework policy in Belgium and a sports encouragement programme in Finland, etc.

There were five work-related accidents to report in 2022. However, these were accidents without serious or permanent consequences (one incident in the office due to distraction, one incident during a team building event and three incidents when leaving the office building). We hold regular emergency drills at our head office and first aid can be provided in our offices if needed.

Employee health and safety (H&S-Emp)

H&S Emp	2022
Work-related accidents	5
Lost day rate	0%
Absenteeism rate	3%

A better work-life balance with our telework policy

In 2021, Aedifica introduced a telework policy for its employees at its head office in Belgium. This policy allows all employees to work up to 50% of their working hours from home. This flexible arrangement allows staff to reduce their commute and better balance their work and private lives. Following a positive evaluation from employees in Belgium, the policy will be extended in the future to the other countries where Aedifica operates, in accordance with applicable local social legislation. This also plays an important role in attracting people to work for Aedifica, as candidates increasingly ask about this.



ANNA
SAARINEN,
GENERAL
COUNSEL

**Creating an attractive and
meaningful workplace is critical
in our industry to attract and
retain talent.**

Putting our corporate values into practice

Care

- Implementing a robust employee engagement programme, developed by and for our employees
- Providing flexible working conditions so employees have a positive work-life balance

Agile

- Offering employees a development plan that increases personal and professional skills to meet the challenging needs of our industry
- Having succession planning in place for all key positions

Transparency

- Updating our internal codes, standards and guidelines to reflect industry best practice
- Informing employees on the Code of Ethics annually

Leadership

- Measuring engagement levels through independent surveys to identify further improvements to our organisation and truly become an industry leader
- Inspiring and recognising the talent working at Aedifica



3. Ethics, compliance and integrity

Aedifica pursues a business culture characterised by honesty and integrity, a sense of responsibility, strict ethics, and compliance with the statutory rules and corporate governance standards. This has been part of Aedifica's heritage since its founding in 2005 and we will continue to follow this path.

In this context, Aedifica has developed various policies setting out the rules that shape such corporate culture. We seek to continuously improve and professionalise our policies to ensure the highest ethical and compliance standards.

3.1 Code of conduct

Aedifica has developed a Code of Conduct that provides an ethical framework and offers guidelines to its employees on how to behave to live up to the high ethical values and standards we pursue. The Code of Conduct therefore ensures that our employees enhance and protect the good reputation of the Company, more specifically in its relationship with customers, shareholders and other stakeholders, as well as with society in general.

The Code of Conduct reflects Aedifica's core values, including our commitments to respecting human rights, preventing market abuse and fighting corruption, and in that respect it incorporates by reference our other internal ethical policies (Dealing Code, Anti-Bribery and Corruption Policy and Human Rights Policy).

We communicate the Code on our website, our intranet and through mandatory training for all employees. We have a stringent approach to bribery and corruption, fraud, (illegal) misconduct, insider trading, discrimination and all other forms of violations of our Code of Conduct.

The effectiveness of, and compliance with, the Code is structurally assessed by:

1. actively detecting and investigating any alleged misconduct and taking appropriate disciplinary action if misconduct is substantiated;
2. incorporating compliance with the Code of Conduct in our onboarding package for new employees;
3. monitoring that all staff (both internal and external) have attended the annual training sessions on the Code of Conduct;
4. reporting of incidents to the Executive Committee and the Board of Directors.

All employees are encouraged to report concerns about the Code of Conduct and possible infringements thereof. A special whistleblowing procedure was created for employees to establish a safe environment to make such reports, in addition to the already existing direct reporting options towards supervisors and the HR team. In 2022, no complaints about alleged infringements of the Code of Conduct were received from employees. More generally, no violations of the Code of Conduct were identified.

3.2 Prevention of money laundering and terrorism financing risks

Aedifica has developed and implemented policies to counter money laundering and the financing of terrorism and proliferation. This allows the Group to subject the establishment of business relationships with customers or the conclusion of transactions with counterparties to a prior assessment of potential money

laundering, terrorist financing and reputation risks. After entering into a business relationship, a system of continuous monitoring is put in place. Employees involved in implementing this policy are regularly informed and receive specific training.

3.3 Personal data protection

We are committed to respecting and protecting the privacy rights of our employees, customers, shareholders, suppliers and everyone with whom we do business. Personal data is managed in a professional, lawful and ethical manner, in accordance with our internal and external privacy policy and in compliance with applicable laws and regulations. We have implemented technical and organisational measures to prevent the accidental or unlawful destruction, loss, alteration or unauthorised disclosure of, or access to, personal data.

3.4 Cybersecurity

Aedifica relies heavily on various IT systems to collect, analyse and process (financial) information. Good management of the IT infrastructure is of fundamental importance for the Group. A loss, compromise or unavailability of, or major problems with, these systems could cause a disruption of management and investment activities, and a disruption of the internal and external reporting process. Data breaches could jeopardise the confidentiality of our data. Cybersecurity is therefore a high priority for Aedifica, as cybersecurity attacks by nation states, phishing, ransomware and value chain attacks are becoming increasingly common and sophisticated. With the increasing use of a digital working environment (on-site and at home), the role of IT services in providing seamless access to all corporate resources as well as ensuring information security is more important than ever. To protect our systems and data, and those of our customers and shareholders, we are constantly vigilant and have the necessary measures in place.

Aedifica has an IT team assisted by an external partner in managing the IT infrastructure (hardware and software) and data security and storage. Internally, a cyber security plan has been developed to prevent and detect cyber-attacks and limit their impact. The plan will be externally audited in 2023 and the results will be discussed in the Audit and Risk Committee and in the Board of Directors. Besides the functional and technical aspects of the plan (aimed at further developing state-of-the-art IT security infrastructure and solutions), the cyber plan also provides for regular (mandatory) IT training for employees to make them aware of cyber security and prevent phishing and other cyber threats. Aedifica also has a cyber security insurance policy in place that provides cover against various types of cybercrime.

Aedifica is regularly subjected to cyber-attacks, through phishing, organised malware attacks or otherwise. In the past, Aedifica has been the victim of one data security breach due to a cyber-attack (namely in March 2021). This breach was reported to the data protection authority. The impact of that cyber-attack on Aedifica's operations was very limited and did also not cause a demonstrable loss of personal data nor did it result in high risk to the rights and freedom of the data subjects possibly concerned (if any).



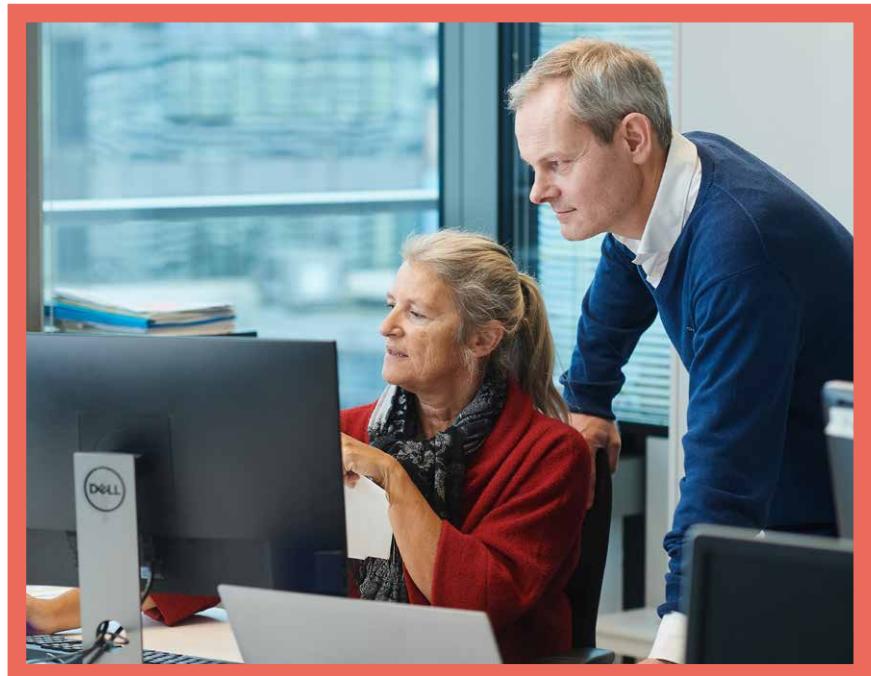
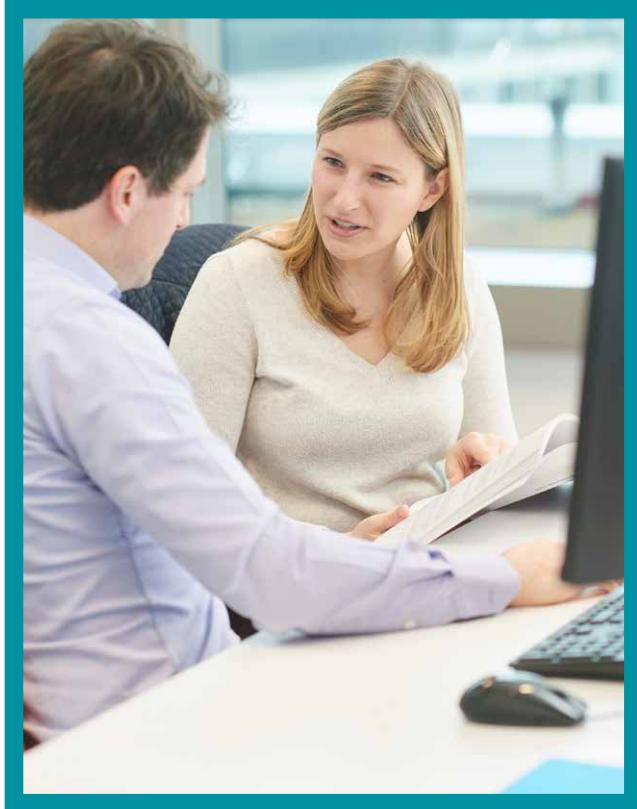
“
SVEN BOGAERTS,
CLO/CM&AO

We have no separate set of values that serve as the basis for how we conduct our business. Our policies are based on fundamental moral principles as honesty, fairness, responsibility, respect and caring, which should apply in all facets of life.

Saamborgh Almere
Buiten - Almere (NL)



Financial review



Highlights

€803m
in new investments &
developments

40 projects completed
totalling €295m

43.6%
debt-to-assets ratio

€310m
raised on capital markets

BBB
investment-grade credit rating
with stable outlook

1.3%
average cost of debt*

4.7 years
weighted average maturity
of drawn credit lines

7.5x
interest cover ratio¹

€181m
EPRA Earnings*
+20% YoY

€4.76/share
EPRA Earnings*

€273m
rental income
+18% YoY
+4.2% LFL

€79.38/share
net asset value

€3.70/share
proposed gross dividend
+9%

4.9%
gross dividend yield
as at 31 December 2022

39,855,243
shares on the stock market

* 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.

1. The ratio of 'operating result before result on portfolio' (lines I to XV of the consolidated income statement) to 'net interest charges' (line XXI).

1. Financial performance¹

1.1 Investments

1.1.1 Investments, completions and disposals in 2022

€803 million
in new investments &
projects in 57 sites

Name	Type	Location	Date	Investment (€ million) ²	Pipeline (€ million) ³	Gross rental yield (approx. %)	Completion/ implementa- tion	Lease	Operator
Belgium									
Résidence Véronique	Acquisition & extension	Somme-Leuze	17/05/2022	11	10	4.5%	Q4 2024	27 yrs - NNN	Vulpia
Militza portfolio (2 sites)	Acquisition & extension	Bruges & Ghent	06/07/2022	50	19	4%	Q2 2025	27 yrs - NNN	My-Assist
Germany									
An der Therme	Acquisition	Mühlhausen	29/06/2022	7.5	-	5%	-	WAULT 14 yrs - NN	Alloheim
Netherlands									
CosMed Kliniek ⁴	Acquisition	Bosch en Duin	25/05/2022	7.5	-	6%	-	15 yrs - NNN	Sandstep Healthcare
Het Gouden Hart Almere ⁵	Acquisition & development	Almere	06/07/2022	2	7	5%	Q1 2024	NNN	Korian Netherlands
Oosterbeek Warm Hart ⁴	Acquisition & renovation	Oosterbeek	09/12/2022	7.5	-	5.5%	-	20 yrs - NNN	Warm Hart
United Kingdom⁶									
Dawlish	Acquisition & development	Dawlish	01/04/2022	2.5	12.5	6.5%	Q4 2023	30 yrs - NNN	MMCG
Channel Islands portfolio (6 care homes)	Acquisition & extension	Jersey & Isle of Man	01/04/2022	54	15	6%	-	25 yrs - NNN	LV Care Group
Sleaford Ashfield Road	Acquisition & development	Sleaford	31/05/2022	3	10	5.5%	Q4 2023	35 yrs - NNN	Torsion Care
Hooton Road	Acquisition & development	Hooton	01/06/2022	2	14.5	6%	Q1 2024	30 yrs - NNN	Sandstone Care Group
Creggan Bahn Court	Acquisition	Ayr	20/06/2022	10	-	6%	-	30 yrs - NNN	MMCG
Spaldwick House	Forward purchase	Isle of Man	20/07/2022	-	12	6%	Q1 2024	25 yrs - NNN	LV Care Group
Biddenham St James	Development	Biddenham	09/09/2022	3	13	6%	Q1 2024	30 yrs - NNN	MMCG
LNT portfolio (3 sites)	Acquisition & development	Holt, Whitby & Moretaine	23/09/2022	35	16	5%	Q1 2023	35 yrs - NNN	Danforth & Ideal Care Homes
St Mary's Riverside & St Mary's Lincoln	Acquisition & development	Hessle & Lincoln	05/10/2022	18	13	5%	Q1 2024	30 yrs - NNN	Burlington
York Bluebeck Drive	Acquisition & development	York	14/10/2022	3	12.5	6%	Q2 2024	35 yrs - NNN	Torwood Care
Rawdon Green Lane	Acquisition & development	Rawdon	28/10/2022	17	-	5.5%	-	35 yrs - NNN	Danforth
Northampton Thompson Way	Acquisition & development	Northampton	01/11/2022	17	-	5.5%	-	35 yrs - NNN	Anchor

1. This financial review is based on the Consolidated Financial Statements. However, it also includes some information on the statutory accounts, but this is always specifically mentioned. The complete statutory financial statements and the statutory Management Report will be registered at the National Bank of Belgium within the legal deadlines and may be obtained free of charge on the Company's website (www.aedifica.eu) or upon request at the head office.

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 often 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 or acquisitions of which the conditions precedent will be fulfilled in the course of the coming months. The development projects are listed in the overview of the investment programme (see page 44-46).

4. This project is being developed within the joint venture with Dunavast-Sonneborgh, in which Aedifica holds a 75% stake.

5. This project is being 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.

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

Corporate governance		Risk factors		Financial statements			Additional information		
Name	Type	Location	Date	Investment (€ million) ²	Pipeline (€ million) ³	Gross rental yield (approx. %)	Completion/implementation	Lease	Operator
Finland				23	74.5	6%			
Tampere Teräskatu	Development	Tampere	24/03/2022	-	8.5		Q4 2023	20 yrs - NNN	Municipality
Helsinki Käräjätuvantie	Development	Helsinki	20/04/2022	-	8.5		Q4 2024	20 yrs - NNN	Municipality
Helsinki Kutomokuja	Development	Helsinki	20/04/2022	-	8.5		Q4 2024	20 yrs - NNN	Municipality
Valkeakoski Juusontie	Development	Valkeakoski	04/05/2022	-	2		Q1 2023	15 yrs - NNN	Aurinkosilta
Oulu Patenie-menranta	Development	Oulu	06/05/2022	-	2		Q3 2023	15 yrs - NNN	Pilke
Rovaniemi Rakkakiventie	Development	Rovaniemi	19/05/2022	-	3		Q1 2023	15 yrs - NNN	Palvelukoti Kotipetäjä
Espoo Ylismäenkuja	Development	Espoo	06/07/2022	-	1.5		Q3 2023	15 yrs - NNN	Pilke
Oulu Vaarapiha	Development	Oulu	25/07/2022	-	15		Q4 2023	15 yrs - NNN	Nonna Group
Liminka Saunarannantie	Development	Liminka	29/07/2022	2.5	-		-	15 yrs - NNN	Pilke
Oulu Jahtivoudintie	Acquisition & extension	Oulu	01/08/2022	9	9.5		Q3 2023	25 yrs - NNN	Municipality
Oulu Tahtimarssi	Development	Oulu	24/11/2022	-	12		Q4 2024	25 yrs - NNN	Municipality
Tuusula Temmontie	Development	Tuusula	26/11/2022	-	2		Q4 2023	20 yrs - NNN	Kuntoutumiskoti Metsätähti
Oulu Upseerinkatu	Development	Oulu	30/11/2022	-	2		Q3 2023	15 yrs - NNN	English Speaking Playschool of Oulu
Äänekoski Ääneniemintie	Development	Äänekoski	09/12/2022	2	-		-	20 yrs - NNN	Hoitokoti Ääneniemien Helmi
Kerava Lehmuskatu	Development	Kerava	22/12/2022	7.5	-		-	20 yrs - NNN	Municipality
Jyväskylä Ailakinkatu	Extension	Jyväskylä	30/12/2022	2	-		-	15 yrs - NNN	Municipality
Sweden⁶				5.5	18	6%			
Nynäshamn Källberga	Acquisition & development	Nynäshamn	21/02/2022	2	16.5		Q4 2023	15 yrs - NNN	Raoul Wallenbergskolan
Strängnäs Bivägen	Acquisition & development	Strängnäs	28/02/2022	0.5	1.5		Q1 2023	15 yrs - NNN	Humana
Staffanstorp Borggårdsallén	Acquisition	Staffanstorp	01/04/2022	3	-		-	14 yrs - NNN	Municipality
Ireland				195.5	69				
Silver Stream portfolio (3 sites)	Acquisition	Dundalk, Duleek & Riverstick	16/09/2022	57	-	5% -		25 yrs -NNNN	Silver Stream Healthcare
Dunshaughlin Business Park	Acquisition & development	Dunshaughlin	11/05/2022	1.5	17	5% Q4 2023		25 yrs -NNNN	Grace Healthcare
Craddock House Nursing Home	Acquisition	Naas	17/05/2022	11	-	5.5% -		20 yrs -NNNN	Virtue
Bartra portfolio (4 sites)	Acquisition & forward purchase	Dublin	19/08/2022	125	36	5% Q3 2023		25 yrs -NNNN	Bartra Healthcare
Sligo Finisklin Road	Acquisition & development	Sligo	27/09/2022	1	16	5% Q2 2024		25 yrs -NNNN	Coolmine Caring Services Group
Spain				1.5	11.5				
Tomares Miró	Acquisition & development	Tomares	29/07/2022	1.5	11.5	5.5% Q1 2024		30 yrs -NNNN	Neurocare Home
Total				475.5	327.5				

40 projects
of the investment
programme completed
totalling €295 million

40 projects completed

Name	Type	Location	Date	Investment (€ million) ¹	Gross rental yield (approx. %)	Lease	Operator
Belgium							6
't Spelthof	Extension	Binkom	18/04/2022	6	5%	27 yrs - NNN	Vulpia
Germany							81
Seniorenhaus Lessingstrasse	Acquisition subject to outstanding conditions	Wurzen	01/02/2022	7	5.5%	25 yrs - NN	Seniorenhaus Lessingstrasse
Am Tierpark	Renovation	Ueckermünde	31/03/2022	1	5%	23 yrs - NN	Vitanas
Haus Wellengrund	Redevelopment	Stemwede	30/09/2022	7	6%	30 yrs - NNN	Argentum
Seniorenquartier Twistringen	Development	Twistringen	05/10/2022	13	5%	30 yrs - NNN	EMVIA Living
Seniorenquartier Langwedel ²	Development	Langwedel	08/12/2022	13	5%	30 yrs - NNN	EMVIA Living
Quartier am Rathausmarkt	Development	Bremervörde	15/12/2022	16	5%	30 yrs - NN	Specht & Tegeler
Wohnstift am Weinberg	Renovation	Kassel	16/12/2022	13	5.5%	WAULT 27 yrs - NN	Cosiq
Seniorenquartier Schwerin	Development	Schwerin	23/12/2022	11	5%	30 yrs - NNN	EMVIA Living
Netherlands							39.5
Saamborgh Almere Buiten	Development	Almere	01/02/2022	7	5.5%	20 yrs - NNN	Saamborgh
Villa Horst en Berg ³	Development	Soest	04/02/2022	3	5.5%	NNN	Korian Netherlands
Het Gouden Hart Lelystad ³	Development	Lelystad	25/02/2022	4	5.5%	NNN	Korian Netherlands
Martha Flora Goes	Development	Goes	28/02/2022	5	5.5%	25 yrs - NNN	Martha Flora
Villa Florian ³	Development	Blaricum	28/02/2022	4	5.5%	NNN	Korian Netherlands
Villa den Haen ³	Development	Woudenberg	09/05/2022	4	5.5%	NNN	Korian Netherlands
Martha Flora Oegstgeest	Development	Oegstgeest	01/07/2022	5	5.5%	25 yrs - NNN	Martha Flora
Martha Flora Breda	Development	Breda	21/11/2022	5		25 yrs - NNN	Martha Flora
Oosterbeek Warm Hart ⁴	Development	Oosterbeek	09/12/2022	2.5	5.5%	20 yrs - NNN	Warm Hart

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 existing buildings.

2. Partial completion.

3. This project was developed within the joint venture with the Korian group. Aedifica and Korian each financed 50% of the total budget. This table only considers the part of the budget that was financed by Aedifica.

4. This project was developed within the joint venture with Dunavast-Sonneborgh, in which Aedifica holds a 75% stake.

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

Corporate governance	Risk factors	Financial statements	Additional information				
Name	Type	Location	Date	Investment (€ million) ¹	Gross rental yield (approx. %)	Lease	Operator
United Kingdom⁵							69
Wellingborough Glenvale Park	Development	Wellingborough	31/03/2022	12	5.5%	35 yrs - NNN	Halcyon Care Homes
Aylesbury Martin Dalby	Development	Aylesbury	09/09/2022	10	7%	30 yrs - NNN	MMCG
Rawdon Green Lane	Development	Rawdon	28/10/2022	11	5.5%	35 yrs - NNN	Danforth
Northampton Thompson Way	Development	Northampton	01/11/2022	11	5.5%	35 yrs - NNN	Anchor
Shipley Canal Works	Development	Shipley	16/12/2022	8		30 yrs - NNN	Burlington
Holt Heath Farm	Development	Holt	16/12/2022	17	5%	35 yrs - NNN	Danforth
Finland							96.5
Jyväskylä Haukankaari	Development	Jyväskylä	31/01/2022	3		20 yrs - NN	Rinnekoti
Tampereen Hailahansuu	Development	Tampere	08/04/2022	3		15 yrs - NN	Tampereen ensija turvakoti
MT Espoo Kurtilantie	Development	Espoo	18/05/2022	3		15 yrs - NN	Mehiläinen
Kajaanin Menninkäisentie	Extension	Kajaani	31/05/2022	1		15 yrs - NN	Esperi
Liminka Saunarannantie	Development	Liminka	29/07/2022	2.5		15 yrs - NN	Pilke
Oulu Juhlamarssi	Development	Oulu	30/08/2022	8		15 yrs - NN	Attendo
Helsinki Malminkartano	Development	Helsinki	22/11/2022	24		15 yrs - NN	Norlandia & KVPS
Helsinki Kansantie	Development	Helsinki	30/11/2022	10		20 yrs - NN	Municipality
Kuopio Opistotie	Development	Kuopio	30/11/2022	13		15 yrs - NN	Norlandia
Äänekoski Ääneniementie	Development	Äänekoski	09/12/2022	2		20 yrs - NN	Hoitokoti Ääneniemien Helmi Oy
Turku Herttuankulma	Development	Turku	20/12/2022	6		20 yrs - NN	Ikifit
Kerava Lehmuskatu	Development	Kerava	22/12/2022	7		20 yrs - NN	Municipality
Jyväskylä Ailakinkatu	Extension	Jyväskylä	30/12/2022	2		15 yrs - NN	Municipality
Kangasala Vällintie	Development	Kangasala	30/12/2022	2		15 yrs - NN	Pilke
Tampere Sisunaukio	Development	Tampere	30/12/2022	10		20 yrs - NN	Ikifit & Pikkututkija
Sweden⁵							2.5
Fanna 24:19	Development	Enköping	19/08/2022	2.5		15 yrs - NN	Serigmo Care KÄS
Total							294.5

Aylesbury Martin Dalby
- Aylesbury (UK)



11

disposals to optimise
property portfolio**11 disposals to optimise property portfolio**

Name	Location	Date	Selling price (€ million)
Belgium			
La Boule de Cristal	Wanlin	27/04/2022	2.3
United Kingdom³			
Athorpe Lodge and The Glades	Sheffield	22/04/2022	4.7
Finland			
Oulun Rakkaventie	Oulu	28/01/2022	29
Ylöjärven Mustarastaantie	Ylöjärvi		
Oulun Kehätie	Oulu		
Porin Palokärjentie	Pori		
Sipoon Satotalmantie	Sipoo		
Vihdin Pengerkuja	Vihti		
Joutsenon Pääväkoti	Lappeenranta		
Siilinjärven Honkarannantie	Siilinjärvi		
Kouvolan Pappilantie	Kouvola		
Total			36

Northwood Nursing
Home - Dublin (IE)

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

1.1.2 Important events after 31 December 2022

€21.5 million in new investments and developments

Name	Type	Location	Date	Investment (€ million) ¹	Pipeline (€ million) ²	Gross rental yield (approx. %)	Completion/ implementa- tion	Lease	Operator
Finland									
Espoo Kuurinkallio	Development	Espoo	16/01/2023	-	7	21.5	Q2 2024	15 yrs - NN	Pilke Humana Finland
Kuopio Torpankatu	Development	Kuopio	25/01/2023	-	5.5	6%	Q1 2024	15 yrs - NN	Esperi
Nokia Tähtisumunkatu	Development	Nokia	26/01/2023	-	3	Q4 2023	15 yrs - NN	HDL	
Sotkamo Härkköivenkatu	Development	Sotkamo	27/01/2023	-	2.5	Q1 2024	15 yrs - NN	Esperi	
Salo Linnankoskentie	Development	Salo	07/03/2023	-	3.5	Q1 2024	15 yrs - NN	Sospro	
Total						21.5			

6 projects of the investment programme completed

Name	Type	Location	Date	Investment (€ million) ⁴	Gross rental yield (approx. %)	Lease	Operator
Germany							
Seniorenquartier Langwedel	Development	Langwedel	10/03/2023	3	5%	30 yrs - NNN	EMVIA Living
Netherlands							
HGH Amersfoort	Renovation	Amersfoort	01/01/2023	1	5%	25 yrs - NNN	Korian Netherlands
Finland							
Rovaniemi Rakkakiventie	Development	Rovaniemi	28/02/2023	3	6%	15 yrs - NN	Palvelukoti Kotipetäjä
Valkeakoski Juusontie	Development	Valkeakoski	15/03/2023	2	15 yrs - NN	Aurinkosilta	
Ireland							
Tramore Nursing Home	Development	Tramore	20/01/2023	15	5.5%	25 yrs - NNN	Mowlam Healthcare
Total					24		

Fiscal Investment Institutions ('FBI') in the Netherlands

In September 2022, the Dutch government announced its intention to exclude direct investments in real estate from the Fiscal Investment Institutions (Fiscale Beleggingsinstellingen, 'FBI') regime as from 1 January 2024. The possible entry into force of this measure was recently postponed to 1 January 2025. Although the Aedifica Group was of the opinion that it meets the conditions for claiming FBI status and submitted applications to the Dutch tax authorities to that effect, the Group opted, as a matter of prudence, for a common law tax burden in the results of its Dutch subsidiaries from the start of its operations in the Netherlands in 2016. The Aedifica Group still claims the application of this regime for its subsidiaries active in the Netherlands. In case the FBI regime is granted, the cumulative positive retroactive impact on current taxes and EPRA Earnings is estimated to amount to approx. €13 million for the period 2016-2022. During recent discussions with the Dutch tax authorities, Aedifica Group received confirmation that the FBI requirements have in any event already been met for the period up to 2020. Refunds will be recognised in the income statement upon receipt of final corporate tax assessments.

Orpea's strategic pivot

In mid-February 2023, Orpea announced a change in its strategy after the group faced financial difficulties and initiated an amicable settlement procedure with its creditors to renegotiate its debts. The Orpea group operates 21 Aedifica care homes (BE: 9; DE: 5; NL: 7) and represents 4.8% of the Group's contractual rental income (BE: 2.5%; DE: 1.2%; NL: 1.1%). As part of this strategic transformation, Orpea no longer considers Belgium as a strategic market and intends to stop its operational activities in five Aedifica care homes (New Philip, Jardins de Provence, Bel-Air, Résidence Service & Résidence du Golf). Although the leases continue, Aedifica is negotiating with Orpea to terminate the contracts. However, Aedifica's other four care homes operated by Orpea remain operational. Germany and the Netherlands remain strategically important to Orpea, so there is no impact on operational activities there either.

1.2 Management of financial resources

1.2.1 Credit rating

In August 2022, S&P has reaffirmed the BBB investment-grade rating with a stable outlook, reflecting the strength of the Group's balance sheet and the improvement of its liquidity. The stable outlook reflects the predictable rental income supported by resilient health care assets and overall long leases which will continue to generate stable cash flows over the next few years. S&P's credit rating research is available on Aedifica's website.

1.2.2 Sustainability Bond

In September 2021, Aedifica has successfully priced its first benchmark Sustainability Bond for a total size of €500 million. The notes are issued with a tenor of 10 years paying a fixed coupon of 0.75%

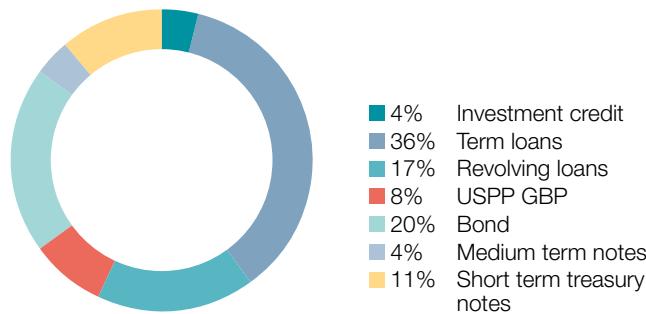
per annum. The strong investor demand for Aedifica was evidenced by an orderbook of €1.8 billion, more than 3.6 times covering the deal size.

The proceeds of the issuance of the Sustainability Bond will be used to (re)finance environmentally sustainable healthcare assets as defined in the Company's updated Sustainable Finance Framework. V.E. provided a Second Party Opinion on the alignment of the Sustainable Finance Framework with relevant international standards, including the ICMA Green- and Social Bond Principles.

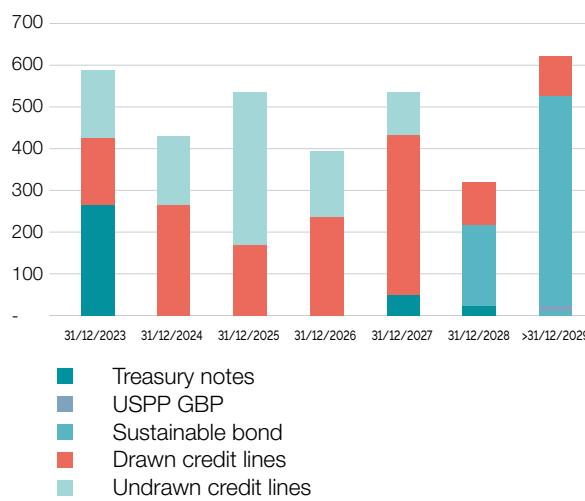
The bond is listed on the Luxembourg Stock Exchange (Euro MTF Market) since 9 September 2021.

Type	ISIN-code	Nominal amount (in € million)	Duration (years)	Maturity date	Coupon	Indicative price on 31/12/2022
Sustainability bond	BE6330288687	500	10	09/09/2031	0.75%	65.48

COMPOSITION OF FINANCIAL DEBTS (%)



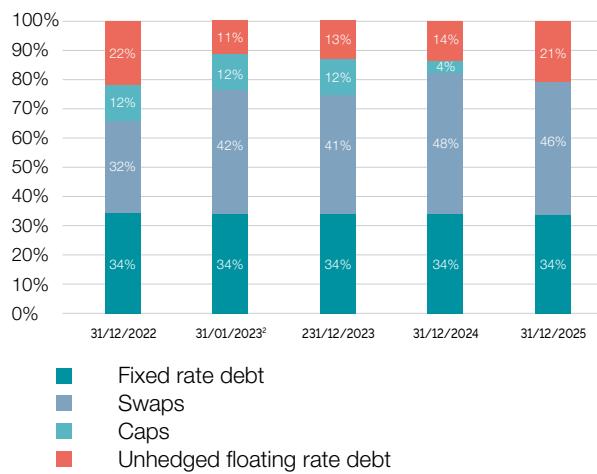
FINANCIAL DEBT MATURITY (IN € MILLION)



INGRID
DAERDEN,
CFO

In 2022, we contracted nearly €520 million in bank loans, of which 59% is linked to sustainability KPIs. This underlines our efforts to integrate ESG criteria into our financial policy.

INTEREST RATE HEDGING¹



1.2.3 Financial debts

During the 2022 financial year, Aedifica strengthened its financial resources by securing new, long-term financing with seven different banks. Part of the loans were contracted in pound sterling (£160 million) to finance the expansion of the UK portfolio. In total, Aedifica has contracted bank loans for a euro equivalent of €516 million, of which €396 million is new financing and €120 million is early refinancing. 59% (€304 million) of these bank loans is linked to sustainability KPIs or is contracted under Aedifica's Sustainable Finance Framework. The loans have due dates between 2027 and 2028.

Taking these elements into account, the maturity dates of Aedifica's financial debts as of 31 December 2022 are as follows:

Financial debt (in € million) ³	Lines	Utilisation	of which treasury notes
31/12/2023	578	423	263
31/12/2024	425	265	-
31/12/2025	531	170	-
31/12/2026	390	237	-
31/12/2027	532	430	50
31/12/2028	317	317	25
>31/12/2028	614	614	12
Total as of 31 December 2022	3,387	2,457	350
Weighted average maturity (in years)⁴	4.0	4.7	-

Without regard to short-term financing (short-term treasury notes), the weighted average maturity of the drawn financial debt as at 31 December 2022 is 4.7 years. The available liquidity after deduction of the short-term commercial paper stood at €667 million on 31 December 2022.

After the close of the 2022 financial year, Aedifica contracted €40 million of bank loans (early refinancing) maturing in 2029.

The average cost of debt including commitment fees is 1.4%, lower than in the previous financial year (1.5%).

As at 31 December 2022, Aedifica's consolidated debt-to-assets ratio amounted to 43.6%.

At the beginning of 2023, 88.7% of financial debt is hedged against interest rate risk, i.e., the ratio of the sum of the fixed rate debt and the notional amount of derivatives divided by the total financial debt. The hedging's weighted average maturity is 6.6 years.

Loans contracted under Aedifica's Sustainable Finance Framework or linked to sustainability KPIs amount to €884 million, of which €847 million is drawn on 31 December 2022 (34% of the drawn debt), underlining the Group's wish to further diversify its sources of financing and to integrate ESG criteria into its financial policy.

1.2.4 Equity

In 2022, Aedifica completed one capital increase in cash and two capital increases by contribution in kind, raising nearly €310 million. These capital increases strengthened Aedifica's equity position and partly financed acquisitions and development projects while maintaining a strong balance sheet.

Contribution in kind of €7.5 million

On 17 May 2022, the acquisition of the Résidence Véronique care home in Somme-Leuze (Belgium) was carried out through the contribution in kind in Aedifica NV/SA of 100% of the shares in a Belgian real estate company. As consideration for the contribution, 74,172 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 18 May 2022 and are entitled to the dividend for the 2022 financial year (coupon no. 30 and following).

Capital increase of €254.5 million

On 23 June 2022, Aedifica successfully launched a capital increase in cash within the authorised capital by way of an accelerated bookbuilding with international institutional investors (an 'ABB') for a gross amount of €254.5 million. On 29 June 2022, the Company issued 2,925,000 new shares at an issue price of €87 per share, i.e. €254,475,000 (including share premium). The new shares were immediately admitted to trading and are entitled to a pro rata temporis dividend for the 2022 financial year as from 29 June 2022 (coupon no. 31 and following). Within the framework of this transaction, coupon no. 30, representing the right to the pro rata temporis dividend for the period from 1 January 2022 to 28 June 2022 inclusive, was detached from the existing shares, effective as of 27 June 2022 (ex-coupon date).

Contribution in kind of €47 million

On 6 July 2022, the acquisition of two care properties in Bruges and Ghent (Belgium) was carried out through the contribution in kind in Aedifica NV/SA of 100% of the shares in a Belgian real estate company. As consideration for the contribution, 547,914 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 7 July 2022 and are entitled to a pro rata temporis dividend for the 2022 financial year as from 29 June 2022 (coupon no. 31 and following).

Following this transaction, the total number of Aedifica shares amounts to 39,855,243 and the share capital amounts to €1,051,691,535.73.

1. Assuming debt as at 31 December 2022 remains unchanged.

2. The 88.7% hedge ratio includes forward starting swaps starting at the beginning of January 2023. On 31 December 2022, the hedge ratio stood at 78.2%.

3. Amounts in £ were converted into € based on the exchange rate of 31 December 2022 (0.88617 €/£).

4. Without regard to short-term treasury notes.

1.3 Summary of the consolidated financial statements

1.3.1 Consolidated results

Consolidated income statement - analytical format (x €1,000)	31/12/2022	31/12/2021
Rental income	273,132	232,118
Rental-related charges	-1,589	-686
Net rental income	271,543	231,432
Operating charges*	-41,869	-38,105
Operating result before result on portfolio	229,674	193,327
<i>EBIT margin* (%)</i>	84.6%	83.5%
Financial result excl. changes in fair value*	-36,239	-32,162
Corporate tax	-11,970	-9,718
Share in the profit or loss of associates and joint ventures accounted for using the equity method in respect of EPRA Earnings	362	360
Non-controlling interests in respect of EPRA Earnings	-441	-328
EPRA Earnings* (owners of the parent)	181,386	151,479
Denominator (IAS 33)	38,113,384	34,789,526
EPRA Earnings* (owners of the parent) per share (€/share)	4.76	4.35
EPRA Earnings*	181,386	151,479
Changes in fair value of financial assets and liabilities	123,242	14,813
Changes in fair value of investment properties	84,877	160,211
Gains and losses on disposals of investment properties	787	534
Tax on profits or losses on disposals	0	-559
Goodwill impairment	-18,103	-3,540
Deferred taxes in respect of EPRA adjustments	-42,705	-46,452
Share in the profit or loss of associates and joint ventures accounted for using the equity method in respect of the above	1,806	6,011
Non-controlling interests in respect of the above	488	-673
Roundings	0	0
Profit (owners of the parent)	331,778	281,824
Denominator (IAS 33)	38,113,384	34,789,526
Earnings per share (owners of the parent - IAS 33 - €/share)	8.71	8.10

The consolidated turnover (consolidated rental income) for the 2022 financial year amounted to €273.1 million, an increase of

approx. 18% compared to the turnover of the previous financial year (€232.1 million).

Consolidated rental income (x €1,000)	2022.01 - 2022.03	2022.04 - 2022.06	2022.07- 2022.09	2022.10 - 2022.12	2022.01 - 2022.12	2021.01 - 2021.12	Var. (%) on a like-for-like basis* ¹	Var. (%)
Belgium	16,145	16,430	17,259	17,598	67,432	62,548	+4.6%	+7.8%
Germany	13,917	14,009	14,178	14,634	56,738	44,971	+2.2%	+26.2%
Netherlands	8,020	8,010	8,688	8,853	33,571	30,429	+4.2%	+10.3%
United Kingdom	13,283	14,428	14,450	15,311	57,472	49,911	+5.0%	+15.1%
Finland	11,346	10,816	11,111	11,452	44,725	39,797	+3.7%	+12.4%
Sweden	951	992	990	984	3,917	1,958	+2.6%	+100.1%
Ireland	1,219	1,468	2,730	3,828	9,245	2,504	+5.8%	+269.2%
Spain	-	-	-	32	32	-	-	-
Total	64,881	66,153	69,406	72,692	273,132	232,118	+4.2%	+17.7%

1. The variation on a like-for-like basis* is shown for each country in the local currency. The total variation on a like-for-like basis* is shown in the Group currency.
2. That change corresponds to the sum of the positive and negative variations of the fair value of the buildings as of 31 December 2021 or the time of entry of new buildings in the portfolio, and the fair value estimated by the valuation experts as of 31 December 2022. It also includes ancillary acquisition costs and changes in the right of use of plots of land.

The 4.2% like-for-like variation* in rental income can be broken down into +3.3% indexation of rents, +0.8% rent negotiations and +0.1% exchange rate fluctuation.

The increase in consolidated rental income demonstrates the relevance of Aedifica's investment strategy and can be attributed to the large number of sites that Aedifica has added to its portfolio through the completion of new acquisitions and the delivery of development projects from the investment programme.

After deduction of the **rental-related charges** (€1.6 million), the net rental income amounts to €271.5 million (+17% compared to 31 December 2021).

The **property result** amounts to €271.9 million (31 December 2021: €230.5 million). This result, less other direct costs, leads to a **property operating result** of €262.6 million (31 December 2021: €222.9 million). This implies an operating margin* of 96.7% (31 December 2021: 96.3%).

After deducting overheads of €33.6 million (31 December 2021: €30.9 million) and taking into account other operating income and charges, the **operating result before result on the portfolio** has increased by 19% to reach €229.7 million (31 December 2021: €193.3 million). This implies an **EBIT margin*** of 84.6% (31 December 2021: 83.5%).

Taking into account the cash flows generated by hedging instruments, Aedifica's **net interest charges** amount to €30.7 million (31 December 2021: €27.5 million). 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 €36.2 million (31 December 2021: €32.2 million).

Corporate taxes are composed of current taxes, deferred taxes, tax on profits or losses on disposals and exit tax. In conformity with the special tax system of Belgian RRECs, the taxes included in the EPRA Earnings* (31 December 2022: €12.0 million; 31 December 2021: €9.7 million) consist primarily of tax on the result of consolidated subsidiaries, tax on profits generated outside of Belgium and Belgian tax on Aedifica's non-deductible expenditures. In the Dutch subsidiaries, for the sake of caution it was decided to opt for a common law tax burden in the result, notwithstanding the fact that the subsidiaries still have a claim to the application of the fiscal transparent regime of a 'Fiscale Beleggingsinstelling' (FBI – 'Fiscal Investment Institution'; see page 83).

The **share in the result of associates and joint ventures** mainly includes the result of the participation in Immobel NV (consolidated since 31 March 2019 using the equity method).

EPRA Earnings* (see page 209) reached €181.4 million (31 December 2021: €151.5 million), or €4.76 per share (31 December 2021: €4.35 per share), based on the weighted average number of shares outstanding and taking into account the higher number of shares resulting from the 2022 capital increases. This result (absolute and per share) is higher than the budgeted amount of >€4.70 per share announced in the Q3 interim financial report.

The income statement also includes elements with no monetary impact (i.e., non-cash) that vary in line with 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

+4.2%
like-for-like variation*
in rental income

(accounted for in accordance with IAS 39), other results on portfolio and deferred taxes (arising from IAS 40):

- Over the entire financial year, the combined **changes in the fair value of marketable investment properties² and development projects** represent an increase of €84.9 million for the period (31 December 2021: €160.2 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. 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 2022 represent an income of €123.2 million (31 December 2021: an income of €14.8 million) following the increase of the long-term interest rates.
- **Capital gains on disposals** (31 December 2022: €0.8 million; 31 December 2021: €0.5 million) are also taken into account here.
- **Tax on profit or losses on disposals** amounted to €0.0 million as of 31 December 2022 (compared to -€0.6 million as of 31 December 2021).
- **Impairment of goodwill** (charge of €18.3 million as of 31 December 2022, compared to a charge of €3.5 million on 31 December 2021) resulting from the impairment testing on 31 December 2022. The estimated recoverable amount is negatively impacted by the discount rate.
- **Deferred taxes in respect of EPRA adjustments** (charge of €42.7 million as of 31 December 2022, compared to a charge of €46.5 million on 31 December 2021) include two elements. Deferred taxes (charge of €42.4 million as of 31 December 2022, compared to a charge of €46.2 million on 31 December 2021) arose from the recognition at fair value of buildings located abroad, in conformity with IAS 40. The **exit tax** (charge of €0.3 million as of 31 December 2022, compared to a charge of €0.3 million as of 31 December 2021) corresponds to the variation between the estimated exit tax at the moment of acquisition of companies and the estimated exit tax at their anticipated merger dates.

Taking into account the non-monetary elements described above, the **profit (owners of the parent)** amounts to €331.8 million (31 December 2021: €281.8 million). The basic earnings per share (as defined by IAS 33) is €8.71 (31 December 2021: €8.10).

The **adjusted statutory result** as defined in the annex to the Royal Decree of 13 July 2014 regarding RRECs, amounts to €154.8 million (31 December 2021: €138.9 million) – as calculated in the Abridged Statutory Financial Statements on page 204 – or €4.06 per share (31 December 2021: €3.98 per share).

1.3.2 Consolidated balance sheet

Consolidated balance sheet (x €1,000)	31/12/2022	31/12/2021
Investment properties including assets classified as held for sale*	5,703,734	4,896,422
Other assets included in debt-to-assets ratio	258,587	258,725
Other assets	123,219	6,720
Total assets	6,085,540	5,161,867
Equity		
Equity excl. changes in fair value of hedging instruments*	3,163,877	2,808,488
Effect of the changes in fair value of hedging instruments	118,908	-27,317
Non-controlling interests	6,564	4,226
Equity	3,289,349	2,785,397
Liabilities included in debt-to-assets ratio	2,601,509	2,197,131
Other liabilities	194,682	179,339
Total equity and liabilities	6,085,540	5,161,867
Debt-to-assets ratio (%)	43.6%	42.6%

As of 31 December 2022, **investment properties including assets classified as held for sale*** represent 94% (31 December 2021: 95%) of the assets recognised on Aedifica's balance sheet, valued in accordance with IAS 40¹ at €5,704 million (31 December 2021: €4,896 million). This heading includes:

- **Marketable investment properties including assets classified as held for sale*** (31 December 2022: €5,449 million; 31 December 2021: €4,687 million) increase in the amount of €763 million. The net growth in the fair value of marketable investment properties is primarily attributable to €426 million from investment operations, to €97 million from the change in the fair value of marketable investment properties, to €323 million from the completion of development projects, and partly compensated by -€35 million from divestment operations and -€48 million from exchange rate differences. The changes in the fair value of marketable investment properties, as assessed by independent valuation experts, are broken down for the full year 2022 as follows:

- Belgium: +€17.8 million (+1.5%);
- Germany: +€39.6 million (+3.7%);
- Netherlands: +€24.0 million (+4.3%);
- United Kingdom: +€6.2 million (+0.8%);
- Finland: +€12.9 million (+1.5%);
- Sweden: -€1.0 million (-1.3%);
- Ireland: -€2.6 million (-2.8%).

- **Development projects** (31 December 2022: €184 million; 31 December 2021: €152 million) consist primarily of investment properties under construction or renovation. They are part of a multi-annual investment programme (see page 44-46).

- The **right of use related to plots of land held in 'leasehold'** in accordance with IFRS 16 (31 December 2022: €70 million; 31 December 2021: €58 million).

The item 'Other assets included in debt-to-assets ratio' includes, amongst other things, **goodwill** amounting to €143.7 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 mainly includes the 25% stake in Immobe NV which amounts to €40.4 million as of 31 December 2022 (31 December 2021: €40.5 million).

The **other assets included in the debt-to-assets ratio** represent 4% of the total balance sheet (31 December 2021: 5%).

Since Aedifica's incorporation, its capital has increased as a result of various real estate activities (contributions, mergers, etc.) and capital increases in cash. As of 31 December 2022², the Company's capital amounts to €1,052 million (31 December 2021: €958 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:

- €3,164 million excluding the effect of the changes in fair value of hedging instruments* (31 December 2021: €2,808 million, including the €118.5 million dividend distributed in May 2022);
- or €3,283 million taking into account the effect of the changes in fair value of hedging instruments (31 December 2021: €2,781 million, including the €118.5 million dividend distributed in May 2022).

As of 31 December 2022, **liabilities included in the debt-to-assets ratio** (as defined in the Royal Decree of 13 July 2014 on RRECs) reached €2,602 million (31 December 2021: €2,197 million). Of this amount, €2,452 million (31 December 2021: €2,081 million) is effectively drawn on the Company's credit lines. Aedifica's consolidated **debt-to-assets ratio** amounts to 43.6% (31 December 2021: 42.6%).

Other liabilities of €194.7 million (31 December 2021: €179.3 million) primarily represent the fair value of hedging instruments (31 December 2022: €3.9 million; 31 December 2021: €33.3 million) and the deferred taxes (31 December 2022: €164.1 million; 31 December 2021: €121.3 million).

1.3.3 Net asset value per share

Excluding the non-monetary effects (i.e., non-cash) of the changes in fair value of hedging instruments³ and after accounting for the distribution of the 2021 dividend in May 2022⁴, the net asset

value per share based on the fair value of investment properties amounted to €79.38 as of 31 December 2022 (31 December 2021: €74.09 per share).

Net asset value per share (in €)	31/12/2022	31/12/2021
Net asset value after deduction of the 2021 dividend, excl. changes in fair value of hedging instruments*	79.38	74.09
Effect of the changes in fair value of hedging instruments	2.98	-0.75
Net asset value after deduction of the 2021 dividend	82.37	73.34
Number of shares outstanding (excl. treasury shares)	39,854,966	36,308,157

1.3.4 Consolidated cash flow statement⁵

The consolidated cash flow statement included in the attached Consolidated Financial Statements shows total cash flows for the period of -€1.4 million (31 December 2021: -€8.2 million), which is made up of net cash from operating activities of +€218.6 million

(31 December 2021: +€198.3 million), net cash from investing activities of -€683.4 million (31 December 2021: -€820.9 million), and net cash from financing activities of +€463.4 million (31 December 2021: +€614.4 million).

1.3.5 Appropriation of the results

The Board of Directors proposes to the Annual General Meeting of 9 May 2023 to approve Aedifica SA's Annual Accounts of 31 December 2022 (of which a summary is provided in the chapter 'Abridged Statutory Financial Statements' on page 204).

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.

The Board of Directors also proposes to distribute a gross dividend of €3.70 for the 2022 financial year⁶, resulting in a statutory pay-out ratio of 91%. The dividend will be paid in May 2023 after the annual accounts have been approved by the Annual General Meeting of 9 May 2023. The dividend will be split between coupon no. 30 (€1.8145) and coupon no. 31 (€1.8855). The net dividend per share after deduction of 15% withholding tax⁷ will amount to €3.145, split between coupon no. 30 (€1.5423) and coupon no. 31 (€1.6027).

The statutory result for the 2022 financial year will be submitted as presented in the table on page 205.

€3.70/share
proposed gross
dividend for 2022

1. The investment properties are represented at their fair value as determined by the valuation experts (see page 233-234).
2. IFRS requires that the costs incurred to raise capital are recognised as a decrease in the capital reserves.
3. The effect of the changes in fair value of hedging instruments of +€2.98 per share as of 31 December 2022 is the impact in equity of the fair value of hedging instruments, which is positive for €118.9 million, mainly booked in the assets on the balance sheet.
4. Recall that IFRS requires the presentation of the annual accounts before appropriation. The net asset value of €77.35 per share as at 31 December 2021 (as published in the 2021 Annual Financial Report) thus included the gross dividend distributed in May 2022, and has been adjusted by €3.26 per share in this table so that it can be compared with the net asset value as at 31 December 2022. This amount corresponds to the total amount of dividends paid (€118.5 million), divided by the total number of shares outstanding as of 31 December 2021 (36,308,157).
5. See page 145 for more information about the consolidated cash flow statement.
6. See page 94 for more information about Aedifica's 2022 dividend.
7. As a RREC investing more than 80% of its portfolio in residential European healthcare real estate, the withholding tax for Aedifica investors amounts to only 15%. Following Brexit, a transition regime has been provided for UK assets acquired prior to 1 January 2021 so that they can be included in the calculation of the 80% threshold until the end of the 2025 financial year. Therefore, if legislation does not change in the meantime, Aedifica estimates that its shareholders will be able to continue to benefit from the reduced withholding tax of 15% until the 2025 financial year (inclusive). See section 4.4.2 of the 'Standing Documents' for more information on the tax treatment of dividends, as well as section 9 'Regulatory changes' of the 'Risk factors' chapter.

1.4 EPRA key performance indicators

			31/12/2022	31/12/2021
EPRA Earnings*	Earnings from operational activities. EPRA Earnings* represent the profit (attributable to owners of the Parent) after corrections recommended by the EPRA.	x €1,000 € / share	181,386 4.76	151,479 4.35
EPRA Net Reinstatement Value*	Net Asset Value adjusted in accordance with the Best Practice Recommendations (BPR) Guidelines published by EPRA in October 2019 for application as from 1 st January 2020. EPRA NRV* assumes that entities never sell assets and provide an estimation of the value required to rebuild the entity.	x €1,000 € / share	3,656,251 91.74	3,089,707 85.10
EPRA Net Tangible Assets*	Net Asset Value adjusted in accordance with the Best Practice Recommendations (BPR) Guidelines published by EPRA in October 2019 for application as from 1 st January 2020. EPRA NTA* assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.	x €1,000 € / share	3,176,816 79.71	2,642,684 72.78
EPRA Net Disposal Value*	Net Asset Value adjusted in accordance with the Best Practice Recommendations (BPR) Guidelines published by EPRA in October 2019 for application as from 1 st 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.	x €1,000 € / share	3,344,516 83.92	2,508,249 69.08
EPRA Net Initial Yield (NIY)	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.	%	4.9%	4.9%
EPRA Topped-up NIY	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.	%	5.1%	5.1%
EPRA Vacancy Rate	Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio.	%	0.4%	0.5%
EPRA Cost Ratio (including direct vacancy costs)*	Administrative & operating costs (including costs of direct vacancy) divided by gross rental income.	%	15.9%	16.7%
EPRA Cost Ratio (excluding direct vacancy costs)*	Administrative & operating costs (excluding costs of direct vacancy) divided by gross rental income.	%	15.9%	16.7%
EPRA LTV*	The EPRA LTV* aims to represent the Company's indebtedness compared to the market value of its assets.	%	43.4%	42.8%



CHARLOTTE VAN OVERMEERE,
SENIOR FINANCIAL CONTROL
MANAGER

In communicating with our stakeholders, transparency and comparability are very important to us. The EPRA KPI are a useful tool for investors in that respect.

2. Outlook for 2023

The outlook presented below has been developed by the Board of Directors as part of the preparation of the budget for the 2023 financial year on a comparable basis with the Company's historical financial information and consistent with the Company's accounting policies.

The Board of Directors continues to pay close attention to the shifting economic, financial and political context, as well as the associated impact on the Group's activities. 2023 is expected to be more of a transition year in which a new balance needs to be found between investment market and operator expectations on the one hand and increased financing costs on the other. This is likely to translate into a slower investment pace as the Group will focus primarily on executing its committed pipeline while maintaining a strong balance sheet and a debt-to-assets ratio of approx. 45%. Benefiting from strong fundamental tailwinds such as the ageing European population and the increasing need for futureproof care properties, healthcare real estate will remain an attractive investment category in the years to come.

2.1 Assumptions

External factors

- a) The **indexation rates** of rents and charges vary by country and in most countries are linked to the (health) consumer price index. Indexation of the UK healthcare portfolio is generally based on the retail price index with contractual floors and caps. In Germany, contractual restrictions apply to the indexation mechanism. Indexation of rental income in Germany is usually capped or takes effect after reaching a certain threshold.
- b) **Valuation of investment properties:** no assumptions are made regarding fluctuations in the portfolio's fair value. Changes in the fair value of the portfolio have no impact on EPRA Earnings*.
- c) **Average interest rate** after capitalised interests: 2.2% based on the Euribor rate curve of 20 January 2023, 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 forecasts below, exchange rates £/€ of 1.12 and €/SEK of 11.2485 have been applied.

Internal factors

- a) **Rents:** rent forecasts are based on current contractual rates and take indexation into account. The projected rental income includes an assumption of organic growth of about 4.8% after CPI-linked indexation and assumptions regarding future portfolio additions related to the completion of buildings currently under development for which the timing of delivery cannot be determined with certainty.
- 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 programme:

- delivery of projects from the committed pipeline of €320 million;
- in 2023, cash outflows related to the execution of development projects amount to approx. €350 million;

e) Financial assumptions:

- debt-to-assets ratio below 50% at the end of 2023 with a target of around 45%;
- 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:

- disposal of non-strategic assets during the year for approx. €150 million;

g) 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;
- the budget assumes the application of the fiscal transparent regime of a 'Fiscale Beleggingsinstelling' ('FBI') in the Dutch subsidiaries and a reimbursement of corporate taxes paid for the years 2016 to 2020 amounting to approx. €6.1 million. This assumption is based on positive feedback received from the Dutch tax authorities in early 2023 on qualification for the FBI requirements in previous years (2016-2020), Aedifica assumes in the budget that the requirements will also be met in the years 2023 and 2024. However, qualification for those years may still be subject to additional review by the tax authorities. Based on currently available information, companies investing directly in real estate might no longer qualify for the FBI regime from January 2025. As explained in section 1.1.2 on page 83, the refund of the tax claims in the Dutch subsidiaries for previous years will be recognised in the income statement at the time of receipt of the final corporate tax assessment.

2.2 Financial projections

On the basis of the currently available information and the projected real estate portfolio, and without any unforeseen developments, the Board of Directors estimates the rental income for the 2023 financial year to reach €308 million. This results in €200 million in EPRA Earnings*. Taking into account the higher number of shares resulting from the 2022 capital increases (see section 1.2.4), the Board of Directors anticipates EPRA Earnings* per share of €5.03 per share – a 6% increase compared to 2022 – and a gross dividend of €3.80 per share – an increase of 3%.

Outlook for 2023

Estimated rental income	€308 million
EPRA Earnings*	€200 million
EPRA Earnings* per share	€5.03
Gross dividend	€3.80



DELPHINE
NOIRHOMME,
INVESTOR
RELATIONS
MANAGER

We are honoured that Aedifica has been included from the outset in the new BEL ESG Index. This is a great reward for the CSR efforts our team has made in recent years.



3. Stock market performance

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

Since 2020, the Aedifica share is included in the BEL 20, the leading share index of the 20 most important shares on Euronext Brussels, confirming the market's confidence in Aedifica's investment strategy. 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 ensure a greater visibility, but also increases the liquidity of the share on the stock exchange.

Moreover, since early 2023, Aedifica is also included in the BEL ESG, a new index launched by Euronext Brussels. The index identifies and tracks the 20 listed companies that perform best on ESG criteria, based among other things on their Sustainalytics Risk Rating.

3.1 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. 2.5% (31 December 2022). In addition, the Aedifica share is also included in the EPRA, GPR 250, GPR 250 REIT and Stoxx Europe 600 indices.

The share price fluctuated between €70.40 and €118.10 over the course of 2022 and closed the year at €75.80, a decrease of approx. 34% compared to 31 December 2021 (€114.90).

Based on the stock price as of 31 December 2022, Aedifica shares have:

- a discount of 4.5% as compared to the net asset value per share excluding changes in fair value of hedging instruments*;
- a discount of 8.0% as compared to the net asset value per share.

Between Aedifica's IPO (after deduction of the coupons which represented the preferential subscription rights or the priority allocation rights issued as part of capital increases) and 31 December 2022, Aedifica's stock price increased by 130.0%, as compared to a decrease of 11.6% for the BEL 20 index and a decrease of 43.1% for the EPRA Europe index over the same period.

The average daily volume of the Aedifica share was approx. €5,386,000 or approx. 57,000 shares, resulting in a velocity of 38.2%. Aedifica continues its efforts to further broaden its investor base by regularly participating in road shows and events for both institutional and private investors.

The value creation chart on page 93 shows the evolution of Aedifica's market capitalisation from its IPO in 2006 to 31 December 2022 after deducting the cumulative dividend payments.

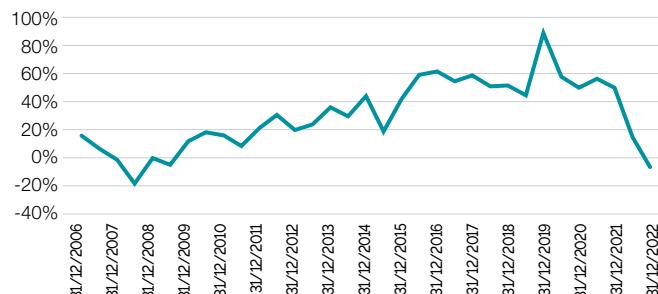
Corporate governance

Risk factors

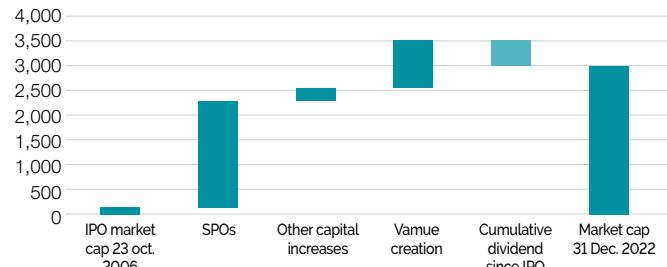
Financial statements

Additional information

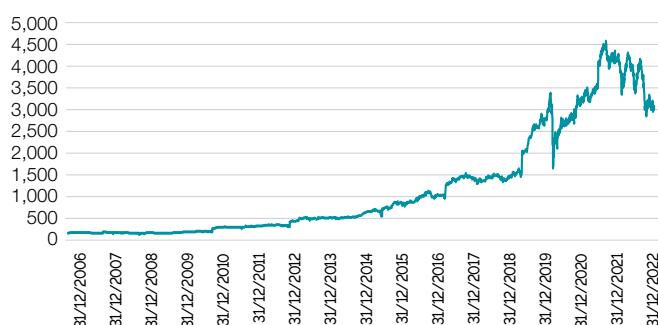
PREMIUM AND DISCOUNT OF SHARE PRICE



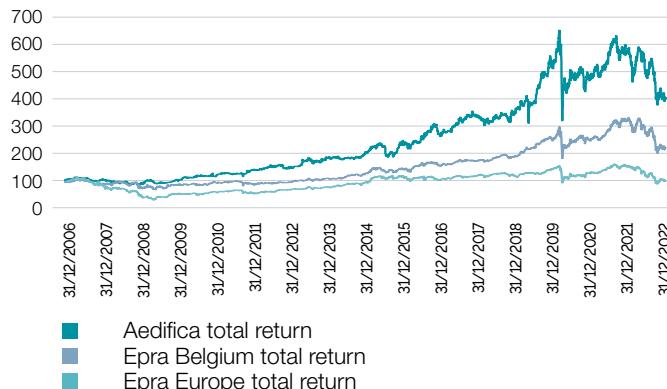
VALUE CREATION CHART (IN € MILLION)



MARKET CAPITALISATION (IN € MILLION)



TOTAL RETURN



Aedifica share

	31/12/2022	31/12/2021
Share price at closing (in €)	75.80	114.90
Net asset value per share excl. changes in fair value of hedging instruments* (in €)	79.38	74.09
Premium (+) / Discount (-) excl. changes in fair value of hedging instruments*	-4.5%	55.1%
Net asset value per share (in €)	82.37	73.34
Premium (+) / Discount (-)	-8.0%	56.7%
Market capitalisation	3,021,027,419	4,171,807,239
Free float ¹	100.0%	100.0%
Total number of shares on the stock market ²	39,855,243	36,308,157
Total number of treasury shares	277	0
Number of shares outstanding after deduction of the treasury shares	39,854,966	36,308,157
Weighted average number of shares outstanding (IAS 33)	38,113,384	34,789,526
Number of dividend rights ³	38,152,107	34,851,824
Denominator for the calculation of the net asset value per share	39,854,966	36,308,157
Average daily volume	56,893	50,797
Velocity ⁴	38.2%	37.6%
Gross dividend per share (in €) ⁵	3.70	3.40
Gross dividend yield ⁶	4.9%	3.0%

1. Percentage of the capital of a company held by the market, according to the definition of Euronext. See press release of 27 September 2022 and section 3.3 below.
2. 74,172 new shares were listed on the stock market on 18 May 2022 (these new shares are entitled to the full 2022 dividend), 2,925,000 new shares on 29 June 2022 (these new shares are entitled to a dividend as from 29 June 2022) and 547,914 new shares on 6 July 2022 (these new shares are entitled to a dividend as from 29 June 2022).
3. Based on the rights to the dividend for the shares issued during the year.
4. Annualised total volume of exchanged shares divided by the total number of shares listed on the market, according to the definition of Euronext.
5. 2022: dividend that will be proposed to the Annual General Meeting.
6. Gross dividend per share divided by the closing share price.

3.2 Dividend

For the financial year 2022, Aedifica's board of directors proposes a gross dividend of €3.70 per share, resulting in a statutory payout ratio of 91%. The dividend will be split between coupon no. 30 (€1.8145 for the period from 1 January 2022 until 28 June 2022) and coupon no. 31 (€1.8855 for the period from 29 June 2022 to 31 December 2022). The dividend will be paid in May 2023, after approval of the financial statements by the ordinary general meeting of 9 May 2023.

As a RREC investing more than 80% of its portfolio in European (residential) healthcare real estate, the withholding tax on dividend for Aedifica's investors amounts to only 15%¹. Aedifica is monitoring this threshold in line with the guidelines from the Belgian government. The total net dividend per share after deduction of the withholding tax of 15 % will amount to €3.145, split between coupon no. 30 (€1.5423) and coupon no. 31 (€1.6027).

Coupon	Period	Ex-coupon date	Est. payment date	Gross dividend	Net dividend
30	01/01/2022 – 28/06/2022	27/06/2022	as from 16/05/2023	€1.8145	€1.5423
31	29/06/2022 – 31/12/2022	12/05/2023	as from 16/05/2023	€1.8855	€1.6027

GROSS DIVIDEND (€/SHARE)



€3.70/share
proposed gross dividend for 2022
15%
reduced withholding tax rate

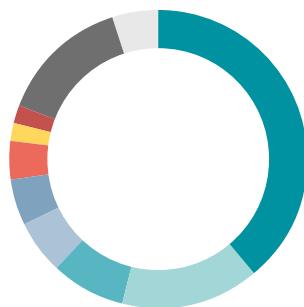
1. RRECs investing more than 80% of their portfolio in European healthcare real estate benefit from a reduced withholding tax rate of 15%. Following Brexit, a transition regime has been provided for UK assets acquired prior to 1 January 2021 so that they can be included in the calculation of the 80% threshold until the end of the 2025 financial year. Therefore, if legislation does not change in the meantime, Aedifica estimates that its shareholders will be able to continue to benefit from the reduced withholding tax of 15% until the 2025 financial year (inclusive). For more information on the 80% threshold for the reduced withholding tax on dividends, see page 260.
2. Prorata of the €4.60 dividend (18 months) over 12 months.
3. Outlook (see page 91).
4. Based on a shareholder identification carried out on 30 December 2022.

3.3 Shareholding structure

The table below lists Aedifica's shareholders holding more than 5% of the voting rights (as of 31 December 2022, based on the number of shares held by the shareholders concerned as at 23 September 2022; Aedifica has not received any transparency notifications regarding a status after 23 September 2022). Declarations of transparency and control strings are available on Aedifica's website. According to Euronext's definition, the free float is 100%. The pie chart below breaks down Aedifica's diversified shareholder base geographically. About one-third of shareholders are retail shareholders versus two-thirds institutional shareholders.

	# of voting rights	Date of the notification	% of the total number of voting rights
BlackRock, Inc.	2,157,313	23/09/2022	5.4%
Other shareholders			94.6%
Total			100%

INTERNATIONAL & DIVERSIFIED SHAREHOLDER BASE⁴



- 39% Belgium
- 15% United States
- 8% United Kingdom
- 6% Netherlands
- 5% France
- 4% Luxembourg
- 2% Ireland
- 2% Sweden
- 14% Other
- 5% Unidentified

3.4 Shareholder's calendar

Calendar	
Annual General Meeting 2023	09/05/2023
Interim results 31/03/2023	10/05/2023
Payment dividend relating to the 2022 financial year	As from 16/05/2023
Coupon 30 – ex-coupon date	27/06/2022
Coupon 31 – ex-coupon date	12/05/2023
Environmental Data Report	June 2023
Half year results 30/06/2023	02/08/2023
Interim results 30/09/2023	31/10/2023
Annual press release 31/12/2023	February 2024
2023 Annual Financial Report	March 2024
Annual General Meeting 2024	14/05/2024
Payment dividend relating to the 2023 financial year	As from 21/05/2024



Villa Florian - Blaricum (NL)

Corporate governance statement



Priesty Fields - Congleton (UK)



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.



97%

attendance rate
Board and committee
meetings



2

new international
Directors
appointed



annual compliance
training for all
employees



updated
Environmental
Policy

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 policies¹ 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
- Human Rights policy
- Charter for responsible supplier relations

1. Governance model and structure

Aedifica has opted for a monistic or one-tier governance structure as stipulated in Articles 7:85 et seq. BCCA.

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 by the Board of Directors with the day-to-day management and operational functioning of the Company.

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.

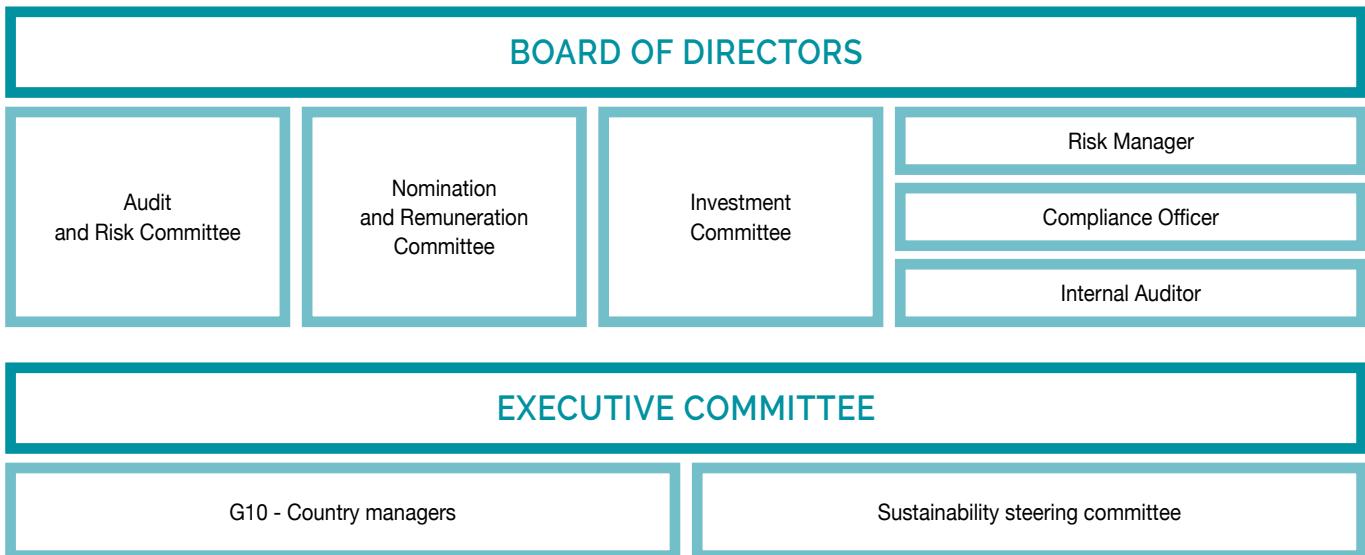
As required by RREC legislation and corporate governance rules, the Company also has an independent control function, the effectiveness whereof is ensured by the internal audit, compliance and risk management functions.

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.

Finally, given the geographical diversity of the countries in which Aedifica operates and 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 and the respective division of roles can be represented schematically as shown hereafter.

1. See also section 3 'Ethics, compliance and integrity' of the 'Organisation' chapter on page 74 for more information about the Code of Conduct (including the procedure for reporting irregularities), the Anti-Money Laundering Policy and the Privacy Policy



Board of Directors

- Defines the Company's strategy and policy.
- Develops and ensures an entrepreneurial, responsible and ethical leadership that can implement the strategy and policy within a framework that enables effective control and risk management.
- Examines the quality of the information given to investors and the public.
- Determines the corporate governance.
- Ensures that ESG objectives are developed within the Company and supervises the implementation.

Audit and Risk Committee

- In general: assists the Board of Directors in fulfilling its monitoring responsibilities for control purposes in the broadest sense, including ensuring internal audit of the Company.
- 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 and the information provided to the shareholders and the market;
 - supervising the external audit, including the assessment and monitoring of the auditor's independence;
 - regular reporting 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.

Nomination and Remuneration Committee

- Assists 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;
 - 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.

Investment Committee

Advises the Board of Directors on investments and divestments that the Executive Committee submits to the Board of Directors in order to expedite up the Company's decision-making process regarding investment and divestment dossiers.

Risk Manager

- Ensures the implementation of measures and procedures for identifying, monitoring and avoiding the risks that the Company may face (including ESG related risks).
- Proposes, when risks actually occur, the measures to limit the impact of these risks and to assess and monitor their consequences as much as possible.

Compliance Officer

- Ensures compliance by the Company, its directors, effective leaders, employees with the legal rules regarding the integrity of the business of a public regulated real estate company.
- Ensures compliance with the internal Company policies, including compliance with the rules on conflicts of interest, incompatibility of mandates, compliance with Company values and market abuse and manipulations.

Internal Auditor

Assesses the activities of the Company and examines the effectiveness of the existing internal control procedures and methods.

Executive Committee

- Oversees the day-to-day management of Aedifica, in accordance with the values, strategy and policy guidelines determined by the Board of Directors.
- Proposes strategy to the Board of Directors (including regarding ESG) and executes the strategy approved by the Board of Directors.
- Organises and manages supporting functions.
- Examines and (within the delegated powers) decides on investments and divestments, general management of the real estate portfolio, and prepares the financial statements and all operational reporting.
- Validates the Sustainability Steering Committee's proposals and plans.

G10 - Country managers

- Ensures, as deliberation and discussion platform between the country managers and the Executive Committee:
 - cross-border communication between the different teams of Aedifica Group, including exchange of relevant experiences from the different local real estate markets in which Aedifica operates;
 - the alignment of objectives of all parts of Aedifica Group;
 - the participation of all parts of Aedifica Group in the establishment and implementation of Aedifica Group's policy.

Sustainability steering committee

- Pursues the implementation and effective integration of the Group's CSR strategy in all business segments, in collaboration with the operational teams.
- Assesses and manages risks and opportunities related to climate change.
- Proposes concrete and economically viable measures to improve the environmental and social performance of the Company.
- Ensures that the Group complies with legal, national and international environmental requirements.
- Promotes dialogue with all stakeholders in order to determine which efforts need to be made and in order to develop long-term partnerships that reinforce the positive impact of the actions implemented.
- Communicates the Group's performance to all stakeholders, notably through the sustainability report.

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 all provisions of the CG Code 2020.

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).

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

- (i) a Compliance Officer – Mr Thomas Moerman, Group General Counsel;
- (ii) a Risk Manager – Ms Ingrid Daerden, CFO, Executive Director and member of the Executive Committee, assisted by Mr Maximilien Meuwissen (Financial Control Manager);
- (iii) an Internal Auditor – the internal audit function is performed by an external consultant, BDO Risk Advisory Services (represented by Mr Pierre Poncelet), under the supervision and responsibility of Ms Katrien Kesteloot (Independent Director).

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.

3.1 Internal control environment

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

- Ethics: Aedifica has several internal policy guidelines that apply to its Directors, members of the Executive Committee and its employees. It has 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 a human rights policy. Moreover, there are also internal procedures in place for reporting (suspected) irregularities and violations of the ethical standards pursued by Aedifica.
- Integrity: Aedifica complies with all legal requirements regarding conflicts of interest (see below). In addition, Aedifica also has a policy on the prevention of the use of the financial system for the purposes of money laundering and terrorist financing.

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 12 members, 7 of whom are independent members within the meaning of Article 7:87 §1 BCCA. In view of their experience and their specific profiles, the Directors have the necessary competences in the context of the exercise of their mandate (see skills matrix below). The Board of Directors monitors the effectiveness of the risk management and internal control measures taken by the Executive Committee.

Principle 3: the Executive Committee determines, 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 above. In accordance with the RREC legislation, the members of the Executive Committee are responsible for the day-to-day management of the Company, on which they report regularly to the Board of Directors. The Executive Committee is also responsible for the implementation and effectiveness of 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 the implementation of recruitment processes based on defined profiles and by the organisation of appropriate trainings. Aedifica supports the personal development of its employees and offers them a comfortable and stimulating working environment tailored to their needs, by identifying their talents, and by helping to strengthen them. Staff changes are planned based on the career planning of employees and the likelihood of temporary (maternity leave, parental leave, etc.) or permanent (particularly retirement) departures.

Principle 5: the organisation communicates with external parties regarding matters affecting the functioning of internal control.

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. In addition, the remuneration and evaluation policy for the Executive Committee and staff is based on the setting of realistic and measurable objectives. The last benchmark study ordered regarding the Executive Committee's remuneration dates from first half of 2022.

3.2 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 pages 26-29. 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 identifies and evaluates Aedifica's main risks on a quarterly basis and publishes its findings in the annual and half-yearly financial reports and interim statements. Risks are also monitored on an ad hoc basis outside the quarterly identification and assessment exercises by the Board of Directors at its meetings. In this respect, Aedifica, with the help of a specialised consultant, has initiated in 2020 an in-depth review of its strategic risks and built up a standardised framework to better follow up on the risk evolution. Aedifica's appetite for these risks has been assessed and the controls put in place have been documented. The risk analysis is regularly monitored and gives rise to remediation actions in relation to 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 mitigate the potential impact on the Company and to prevent further attempts.

At the end of 2020 the Company adopted an anti-bribery and corruption policy and a policy on the prevention on the use of the financial system for the purposes of money laundering and terrorist financing. The policies clarify certain rules of conduct for the Company and its employees in these fields.

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 and formalised on the "risk universe" tool. This analysis is incorporated in the 'Risk factors' chapter.

Control activities

Principle 10: the organisation selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.

Each acquisition or disposal transaction can be reconstructed as to its origin, the parties involved, its nature, and the time and place at which it was carried out, on the basis of notarial deeds (direct acquisition or by way of contribution in kind, merger, demerger or partial demerger) or private deeds (indirect acquisition), and is subject, prior to its conclusion, to a control of compliance with the Company's Articles of Association and with the legal and regulatory provisions in force:

- Review of variances between budget and actuals, on a monthly basis by the Executive Committee, and on a quarterly basis by the Audit and Risk Committee and the Board of Directors.
- Daily monitoring of key indicators, such as occupancy rate, trade receivables, aged debtors and cash position.
- The principle of dual approval:
 - signing of contracts: two Directors jointly or two Executive Committee members acting jointly;
 - approval of invoices: the responsible manager and a member of the Executive Committee, jointly;
 - payment of invoices: accountant in charge of the treasury and CFO (or CEO), jointly;
 - a specific delegation of authority is in place for treasury operations.

In addition, the Company has introduced control measures to address its main financial and operational risks:

- interest rate risk: implementation of hedges (mainly IRS and caps), contracted only with reference banks;
- counterparty risk: use of different reference banks to ensure diversification of the origin of bank financing;
- currency risk: hedging instruments (mainly forward contracts) are used to hedge against a variation in the £/€ rate on future cash flows in £. A macro-hedge is also put in place to mitigate £/€ variations on the balance sheet. A part of the debt is contracted in £, which allows to mitigate the exchange rate variations on the valuation of the buildings. Following the acquisition of Hoivatilat, Aedifica is also exposed to the SEK/€ exchange rate risk;
- creditworthiness of tenants: monthly monitoring of tenant's key KPI (EBITDAREM, occupancy rate, debt ratio...) and ability to pay the rent.

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

The technology used by the Company is selected according to an 'integrated system approach'. Aedifica relies on a fully operational ERP (SAP) to conduct its business. To manage the debt, Aedifica uses a treasury management system (Reval) which communicates daily with the ERP. Aedifica will implement in 2023 a new budgeting tool which will facilitate the budgeting and forecasting projections. The security of access and the continuity of the systems data are entrusted to a partner based on a service level agreement. In addition, leases are registered, and the most important contracts and documents are adequately preserved outside Aedifica's premises.

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

The formalisation of documentation is part of a continuous process improvement objective, which also considers the balance between formalisation and company size.

3.3 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 enables it to reliable and complete information on a timely basis, meeting both internal control and external reporting needs. Since July 2020, the Company has switched to a single ERP system for the entire group (SAP), except for Hoivatilat Oyj. The Finnish activities will be migrated in the ERP system during Q1 2023 (the Swedish activities have been migrated over 2022).

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 control information is communicated in a transparent manner within the Company with the aim of clarifying for everyone the organisation's policies, procedures, objectives, roles and responsibilities. Communication is adapted to the size of the Company and consists mainly of general staff communication, working meetings and email exchanges. In 2022, an intranet has been put in place to facilitate communication and exchange of information throughout the Group.

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

Extensive external communication (for shareholders – publication of occasional and periodic information – but also general communication to other stakeholders) is essential for a listed company and Aedifica is dedicated to it on a daily basis. External communication of internal control follows to the process of preparing and publishing periodic information (drafted by the Executive Committee, reviewed by the Audit and Risk Committee and approved by the Board of Directors).

3.4 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 that the components of the internal control are properly applied, Aedifica has set up an internal audit function covering its main processes. The internal audit is organised according to a multi-year cycle. The specific scope of the internal audit 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 person responsible for the internal audit.

Principle 17: the organisation evaluates and communicates internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including effective management and the Board of Directors, as appropriate.

The recommendations issued by internal audit are communicated to the Audit and Risk Management Committee. The Committee ensures that the appropriate corrective measures are taken by the management.

4. Shareholder structure

As of 31 December 2022, based on the transparency notices received, BlackRock, Inc. (transparency notice dated 23 September 2022) holds at least 5% of the voting rights in Aedifica (see page 95). No other 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 2022, 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 2022, Aedifica's Board of Directors consisted of twelve 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 pages 104-105. 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. The full biographies for each of the members of the Board of Directors are available on Aedifica's website. Each member of the Board of Directors has, for the purpose of their mandate within Aedifica NV/SA, selected the address of the registered seat of Aedifica NV/SA, Rue Belliard/Belliardstraat 40 (box 11), 1040 Brussels (Belgium), as their business address.

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, as explained in more detail on pages 108-109.



Front row: Raoul Thomassen, Ingrid Daerden, Stefaan Gielens & Serge Wibaut.
Back row: Elisabeth May-Roberti, Sven Bogaerts, Luc Plasman, Pertti Huuskonen, Marleen Willekens, Charles-Antoine van Aelst, Henrike Waldburg & Katrien Kesteloot.

SERGE WIBAUT

Chair – Independent Director
Member of Audit and Risk Committee
Belgian – 65 years

Aedifica Board mandate

- Since 23.10.2015
- End of term: 05.2024

Experience

Over 20 years in banking and financial sector, including various senior leadership positions

Aedifica shareholding

1,000

Other active mandates

Securex Assurance, Cigna Life Insurance Company of Europe NV/SA, Reacfins NV/SA, Scottish Widows Europe

Mandates expired during the last 5 years

ADE, Alpha Insurance, Securex NV/SA, Eurinvest Partners NV/SA

CHARLES-ANTOINE VAN AELST

Executive Director
Chief Investment Officer – Executive Manager
Belgian – 37 years

Aedifica Board mandate

- Since 08.06.2020
- End of term: 05.2023

Experience

Almost 15 years, starting as corporate analyst with Aedifica evolving to investment manager and chief investment officer

Aedifica shareholding

3,839

Other active mandates

Director of Immobe NV/SA

Mandates expired during the last 5 years

Director of Davidis NV/SA

INGRID DAERDEN

Executive Director
Chief Financial Officer – Executive Manager
Belgian – 48 years

Aedifica Board mandate

- Since 08.06.2020
- End of term: 05.2023

Experience

Over 25 years, including 10 years in real estate financing

Aedifica shareholding

3,532

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 Immobe NV/SA; CFO of the OTN Systems Group

STEFaan GIELENS, MRICS

Chief Executive Officer – Executive Manager
Belgian – 57 years

Aedifica Board mandate

- Since 03.02.2006
- End of term: 05.2024

Experience

More than 15 years as CEO of Aedifica which has evolved under his leadership from a small start-up to a European pure play healthcare real estate investor

Aedifica shareholding

14,728

Other active mandates

Director of Happy Affairs BV and as permanent representative of Happy Affairs BV, Director in Antemmo NV/SA

Mandates expired during the last 5 years

Director of Immobe NV/SA and Forum Estates NV/SA

SVEN BOGAERTS

Executive Director
Chief Mergers & Acquisitions Officer – Chief Legal Officer – Executive Manager
Belgian – 45 years

Aedifica Board mandate

- Since 08.06.2020
- End of term: 05.2023

Experience

Almost 20 years, including 14 years as attorney specialised in business real estate transactions

Aedifica shareholding

4,600

Other active mandates

/

Mandates expired during the last 5 years

Director of Immobe NV/SA

PERTTI HUUSKONEN

Independent Director
Member of the Nomination and Remuneration Committee
Fin – 66 years

Aedifica Board mandate

- Since 08.06.2020
- End of term: 05.2023

Experience

Almost 40 years in real estate, including various senior leadership positions

Aedifica shareholding

660

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

KATRIEN KESTELOOT

Independent Director
Member of the Audit and Risk Committee
Responsible for internal audit
Belgian – 60 years

Aedifica Board mandate

- Since 23.10.2015
- End of term: 05.2024

Experience

Over 30 years in healthcare sector,
notably over 20 years as CFO of
UZ Leuven (university hospital)

Aedifica shareholding

146

Other active mandates

CFO University Hospitals Leuven,
Director of Hospex NV/SA, VZW/ASBL
Faculty Club KU Leuven and Rondom
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

ELISABETH MAY-ROBERTI

Independent Director
Chair of the Nomination and
Remuneration Committee
Belgian – 59 years

Aedifica Board mandate

- Since 23.10.2015
- End of term: 05.2024

Experience

Over 20 years in real estate sector,
notably as Secretary General – General
Counsel of Interparking Group (AG
Insurance)

Aedifica shareholding

266

Other active mandates

Various positions and mandates within
the Interparking Group

Mandates expired during the last 5 years

/

LUC PLASMAN

Independent Director
Member of the Nomination Committee
and Remuneration and Chair of the
Investment Committee
Belgian – 69 years

Aedifica Board mandate

- Since 27.10.2017
- End of term: 05.2023

Experience

Almost 40 years in real estate sector,
including various senior leadership
positions

Aedifica shareholding

418

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

RAOUL THOMASSEN

Executive Director
Chief Operational Officer – Executive
Manager
Dutch – 48 years

Aedifica Board mandate

- Since 10.05.2022
- End of term: 05.2025

Experience

Almost 20 years in property and asset
management

Aedifica shareholding

1,046

Other active mandates

Listo Consulting BV, Director of Profin
Green Iberia NL BV

Mandates expired during the last 5 years

Chair of ICSC Europe Retail Asset
Management Committee and Profin
Green Iberia ES SL (the company was
dissolved and liquidated)

HENRIKE WALDBURG

Independent Director
German – 50 years

Aedifica Board mandate

- Since 10.05.2022
- End of term: 05.2025

Experience

Almost 20 years in real estate sector with
one of the largest European real estate
investment managers, notably over the
last 15 years in various senior leadership
positions

Aedifica shareholding

55

Other active mandates

Various positions and mandates within
Union Investment Real Estate GmbH,
Board Member of European Council of
Shopping Places (ECSP)

Mandates expired during the last 5 years

/

MARLEEN WILLEKENS

Independent Director
Chair of the Audit and Risk Committee
Belgian – 57 years

Aedifica Board mandate

- Since 27.10.2017
- End of term: 05.2023

Experience

Almost 30 years as professor of
accounting and auditing at the KU
Leuven and BI Norwegian Business
School Oslo (Norway)

Aedifica shareholding

150

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

5.2 Mandates that expire at the ordinary general meeting

The Director's mandates of Ms Marleen Willekens, Ms Ingrid Daerden, Mr Luc Plasman, Mr Pertti Huuskonen, Mr Sven Bogaerts and Mr Charles-Antoine van Aelst expire after the Ordinary General Meeting of 9 May 2023. Given their professional competences and their contribution to the proper functioning of the Board of Directors and its Committees, the Board of Directors proposes to the Ordinary General Meeting – upon recommendation of the Nomination and Remuneration Committee – to renew these mandates.

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 2022 financial year, the Board of Directors met 17 times. 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 navigation of the Company throughout the changed macro-economic environment.
- Operational:
 - the aftermath of the Covid crisis and impact on the portfolio;
 - the impact of inflation, increased energy and staff costs on the operators;
 - enhanced focus on monitoring and overseeing the quality of care in the Aedifica care homes.
- Investment:
 - analysis and approval of investment, divestment and development/redevelopment cases;
 - acquisition of healthcare real estate in new markets.
- Financial:
 - the capital increase via an accelerated bookbuild (ABB) within the scope of the authorised capital;
 - two capital increases within the scope of the authorised capital via a contribution in kind to acquire real estate.
- Governance:
 - evaluation of the Executive Committee, determination of its objectives, fixed and variable remuneration;
 - composition of the Board of Directors and the Executive Committee.

- Human resources:
 - internal organisation of the Company and development of the organisational structure across the various countries in which the Group operates.
- Internal control:
 - the organisation and activities of internal control (compliance, risk management and internal audit function), including plan of action to evaluate in 2023 the IT performance and cyber security level of the Company.
- ESG:
 - 2021 sustainability report and the sustainability action plan to achieve net zero emissions by 2050 for the real estate portfolio, based on the work and reportings of the Sustainability Steering Committee as validated by the Executive Committee;
 - GRESB participation.

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 provided the Chair of the Board of Directors is informed in advance and with due regard 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 2022, 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 composition of the Audit and Risk Committee and the tasks entrusted to the committee meet the legal requirements. 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 committee met five times during the 2022 financial year. The Statutory Auditor of the Company was heard two times by the Audit and Risk Committee during the financial year.

The main points discussed during the 2022 financial year were:

- quarterly review of the accounts, periodic press releases and financial reports;
- examination, together with the Executive Committee, 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 2022, the Nomination and Remuneration Committee consists of three Independent Directors: Ms May-Roberti (Chair of the Nomination and Remuneration Committee), Mr Plasman and Mr Huuskonen. 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 composition of the Nomination and Remuneration Committee and the tasks entrusted to the committee meet the legal requirements. 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.

During the financial year 2022, the committee met 6 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 2022 financial year;
- preparation of the remuneration report;
- organisation of the Company.

Investment Committee

As at 31 December 2022, the Investment Committee consisted of two Independent Directors and one Executive Director: Mr Plasman (Chair of the Investment Committee), Mr Wibaut and Mr Gielens.

During the 2022 financial year, the committee met 2 times to analyse and evaluate 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 the Non-Executive Directors can be found in the remuneration policy (see Aedifica's Corporate Governance Charter) and the remuneration report (see page 111).

5.7 Executive Committee and effective management

The Executive Committee is composed of the following persons, who are also all Executive Managers in the meaning of the RREC Law. The members of the Executive Committee are appointed by the Board of Directors upon the recommendation of the Nomination and Remuneration Committee.

Name	Position	Function / description	Start of mandate	Aedifica shareholding
Stefaan Gielens, MRICS Belgian – 57 years	Chief Executive Officer (CEO)	<ul style="list-style-type: none"> • Monitoring the Group's general activities • Driving force behind the Group's strategy and internationalisation • Executive Director, chair of the Executive Committee, member the Investment Committee and Director of several Aedifica subsidiaries • CEO mandate is of indefinite duration 	3 February 2006	14,728
Ingrid Daerden Belgian – 48 years	Chief Financial Officer (CFO)	<ul style="list-style-type: none"> • Responsible for the financial activities of the Group • Executive Director, member of the Executive Committee, Risk Manager and Director of several Aedifica subsidiaries • CFO mandate is of indefinite duration 	1 September 2018	3,532
Raoul Thomassen Dutch – 48 years	Chief Operating Officer (COO)	<ul style="list-style-type: none"> • Responsible for the business operations and daily functioning of the Group • Executive Director, member of the Executive Committee and Director of several Aedifica subsidiaries • COO mandate is of indefinite duration 	1 March 2021	1,046
Charles-Antoine Van Aelst Belgian – 37 years	Chief Investment Officer (CIO)	<ul style="list-style-type: none"> • Responsible for the Group's investment activities • Executive Director, member of the Executive Committee and Director of several Aedifica subsidiaries • CIO mandate is of indefinite duration 	1 October 2017	3,839
Sven Bogaerts Belgian – 45 years	Chief Legal Officer/ Chief Mergers & Acquisitions Officer (CLO/CM&AO)	<ul style="list-style-type: none"> • Responsible for the Group's Legal Department and its national and international M&A activities • Executive Director, member of the Executive Committee and Director of several Aedifica subsidiaries • CLO/CM&AO mandate is of indefinite duration 	1 October 2017	4,600

Remuneration

More information on the remuneration of the members of the Executive Committee can be found in the remuneration policy (see Aedifica's Corporate Governance Charter) and the remuneration report (see page 115).

Role and responsibilities of the Executive Committee

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 see Aedifica's Corporate Governance Charter (available on the website).

6. Diversity at Board and Executive Committee level

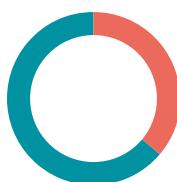
Diversity at the level of the Board of Directors and at the level of the Executive Committee is part of the overall diversity, equity and inclusion objectives of Aedifica as described in the diversity policy (see page 69).

Diversity at Board level

In accordance with the Belgian legal requirements, at least one third of the members of the Board of Directors must be of a different gender from the other members. The Board of Directors follows these legal requirements, and these have also been integrated into the Board recruitment and nomination process. The precise gender make-up fluctuates over time as positions become vacant and depends also on the complementarity between the different members with respect to various facets of diversity (of which gender is one). Beyond gender diversity and the growing focus on the international composition of the Board of Directors, the Board of Directors always strives to keep a balanced mix of diversity in terms of skills, experience, nationality, age, independence, tenure as well as any other relevant criterion.

Board of Directors

GENDER



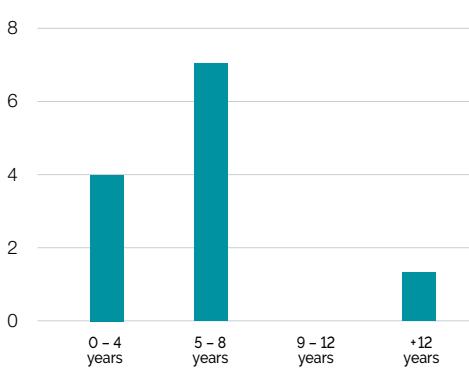
Women
men

NATIONALITIES

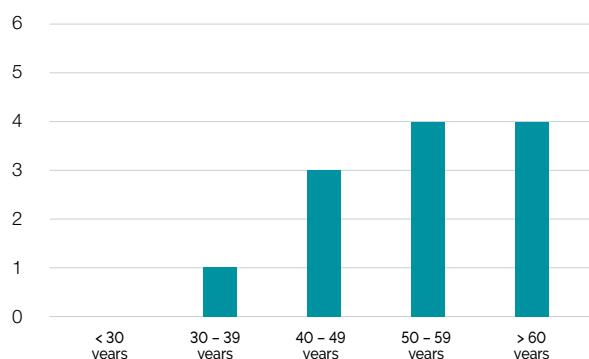


Belgian
Finnish
Dutch
German

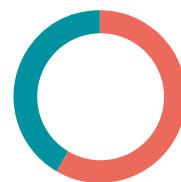
TENURE



AGE



STATUS



Independent
Non-independent

SKILLS



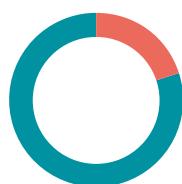
International business experience
ESG / Sustainability
M&A / Capital Markets
Senior management experience
Legal / Public Policy
Risk Management
Financial expertise
Relevant professional experience in/knowledge of healthcare industry
Real estate / REIT

Diversity at Executive Committee level

No legal gender requirements apply to the composition of the Executive Committee. Nevertheless, here as well, the Company strives through the Board of Directors that appoints the members of the Executive Committee, to gender diversity in the composition of the Executive Committee. The overall objective, however, is to pay careful attention not just to one aspect of diversity but to diversity in all its aspects to ensure a complementarity of competences, national and international experience, personalities and profiles, in addition to the expertise and integrity required for the performance of the function.

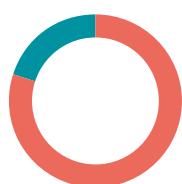
Executive Committee

GENDER



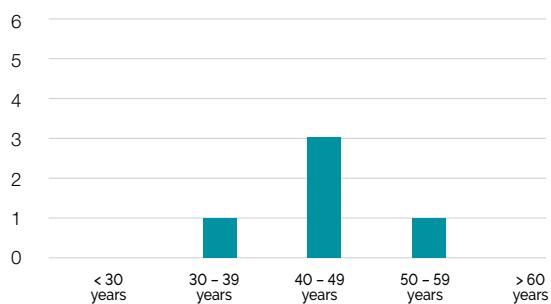
■ 1 Women
■ 4 Men

NATIONALITIES

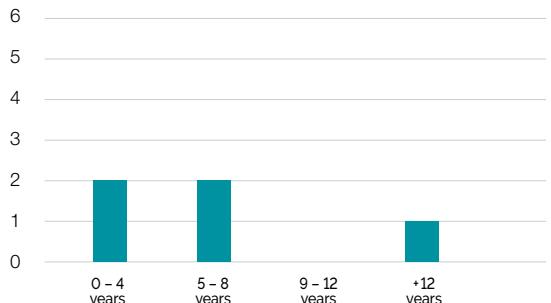


■ 4 Belgian
■ 1 Dutch

AGE



TENURE



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.

The last overall evaluation of the Board of Directors and the Board committees took place end of 2020/the beginning of 2021. The Board of Directors evaluated its effectiveness and interaction with the Executive Committee in accordance with the formal procedure described in the Corporate Governance Charter (including anonymous survey and feedback sessions on the outcome of the survey). Overall, the Board of Directors was positive about its role, responsibilities, composition and functioning and of that of its committees, as well as about the interaction with the Executive Committee. Moreover, it concluded that each Director individually has fulfilled the role of Director in a proper and constructive manner.

The items for improvement included amongst others, the further diversification in terms of gender and internationalisation of the Board of Directors. The items for improvement are further monitored by the Board of Directors. In this context, Ms Henrike Waldburg (see biography on page 105) was appointed upon proposal of the Board of Directors by the Ordinary General Meeting of 10 May 2022 as new Director to replace Mr Franken whose Board mandate had expired and was not open for renewal taking into account the age limit of 72 years.

A new Board evaluation will be organised in the second half of 2023.

Aedifica posted solid results in 2022



+35
care properties



+2,900
residents



+€ 775m
fair value real estate portfolio



Improvement of all sustainability scores



€4.76/share
EPRA earnings*



43.6%
debt-to-assets ratio

8. Remuneration report

This Remuneration Report was drafted according to the provisions of article 3:6 §3 BCCA and complies with the principles of the 2020 CG Code. It has also been drafted taking into account the European Commission's non-binding draft guidelines for the standardised presentation of the remuneration report¹.

The Remuneration Report provides a complete overview of the remuneration, including all benefits in whatever form, granted or due, during the 2022 financial year to each of the Non-Executive Directors and members of the Executive Committee in application of the remuneration policy, where applicable comparing the actual performance to the targets set.

On 11 May 2021, the General Meeting of Aedifica approved the new remuneration policy with a large majority (95.20% of the votes casted). This new policy took effect on 1 January 2021 and can be consulted on our website. The last remuneration report (over the financial year 2021) was also approved by a large majority of the shareholders (83.93% of the votes casted at the General Meeting of 10 May 2022).

The Board of Directors did not deviate in any matter from the approved remuneration policy.

8.1 Remuneration of the Non-Executive Directors for the 2022 financial year

The Company's Ordinary General Meeting has set the following remuneration for the Non-Executive Directors²:

- Board of Directors
 - Chairman: annual fixed fee €90,000 + €1,000 per meeting attended;
 - Member: annual fixed fee €35,000 + €1,000 per meeting attended.
- Audit and Risk Committee
 - Chairman: annual fixed fee €15,000 + €900 per meeting attended;
 - Member: annual fixed fee €5,000 + €900 per meeting attended.
- Nomination and Remuneration Committee / Investment Committee
 - Chairman: annual fixed fee €10,000 + €900 per meeting attended;
 - Member: €900 per meeting attended.

1. Draft Guidelines on the standardised presentation of the remuneration report under Directive 2007/36/EC, as amended by Directive (EU) 2017/828 as regards the encouragement of long-term shareholder engagement.

2. See decisions of the Ordinary General Meetings of 28 October 2016, 22 October 2019 and 11 May 2021.

Additionally, the Board of Directors has decided to grant a special travel allowance of €300 per (round) trip to Mr Huuskonen and Ms Waldburg in application of the power granted to it under the remuneration policy to offer on a case-by-case basis to Non-Executive Directors who attend meetings of the Board of Directors in a country other than their country of residence, a special travel allowance of €300 to cover their travel time. The table below provides an overview of the Non-Executive Directors' attendance at Board and committee meetings and the remuneration received for the 2022 financial year as Director of Aedifica.

The amounts of the remuneration correspond to the amounts approved by the Ordinary General Meetings referred to above and are, based on a comparative study of Willis Towers Watson of 2020 with the BEL20 companies as reference peer group, below the 25th percentile of the market.

The structure of the remuneration corresponds to the remuneration policy: a fixed cash-based straight forward remuneration. 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.

However, in accordance with the remuneration policy and in order to comply with the spirit of principle 7.6 of the 2020 CG Code the

Non-Executive Directors are obliged to annually register in the Company's share register a number of shares equivalent to 10% of their gross annual fixed remuneration as member of the Board of Directors, calculated based on the average stock market price for the month December of the previous year. In application of this rule the Non-Executive Directors other than the Chairperson had to register for the year 2022 a minimum of 31 shares in the share register, whereas the Chairperson had to register a minimum of 80 shares.

All Non-Executive directors have registered the required number of shares in the share register of the Company, with the exception of Ms Waldburg who was only appointed as director in 2022 and who will make the required registrations in 2023. These shares must 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 combination of a fixed cash-based remuneration and the obligation for the Non-Executive Directors to invest in the Company's capital, coupled to a long-term holding obligation of the acquired shares, allows the Company to reward the 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.

Name	Board of Directors Attendance	Audit and Risk Committee Attendance	Nomination and Remuneration Committee Attendance	Investment Committee Attendance	Fixed remuneration (€)	Attendance fees (€)	Travel allowance (€)	Total remuneration (€)
Jean Franken	7/7		4/4	1/1	16,028	11,500		27,528
Pertti Huuskonen	17/17		2/2		35,000	18,800	2,100	55,900 ³
Katrien Kesteloot	17/17	5/5			40,000	21,500		61,500
Elisabeth May-Roberti	16/17		6/6		45,000	21,400		66,400
Marleen Willekens	16/17	5/5			50,000	20,500		70,500
Luc Plasman	16/17		6/6	2/2	41,397	23,200		64,597
Serge Wibaut	16/17	5/5		2/2	95,000	22,300		117,300
Henrike Waldburg	9/10				22,390	9,000	300	31,690
Total					344,815	148,200		495,415

8.2 Remuneration of the members of the Executive Committee for the 2022 financial year

8.2.1 Aedifica's remuneration philosophy

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.

3. After the takeover of Hoivatilat by Aedifica in the beginning of 2020, the Board of Directors of Hoivatilat still counts three independent Finnish Directors. Their mandate is remunerated in line with the customary practices that already existed within Hoivatilat prior to the takeover. Mr Huuskonen is one of the three Independent Directors and also acts as vice-chairman of the Board of Directors of Hoivatilat. For this mandate he has received for the financial year 2022 a remuneration of €46,896 (€39,996 fixed; €6,900 attendance fees) which is not reflected in the above table regarding the remuneration of the Aedifica Board mandates. This brings Mr Huuskonen's total remuneration received from Aedifica (Group) on €102,795.

8.2.2 Remuneration structure

8.2.2.1 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.

Since the financial year 2009/2010, the Company has also granted to the members of the 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 'fixed long-term incentive plan' was first announced in the 2008/2009 Annual Financial Report and is described further hereafter.

Whereas the new remuneration policy (approved by the 2021 General Meeting) provides in a new – performance based – variable long-term incentive plan, the current long-term incentive plan was – in line with the remuneration policy – nonetheless extended until 2022. The new performance based 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 KPIs over the performance cycle. Therefore, as explained in the remuneration policy, in order to avoid a material loss in remuneration over the years 2021 and 2022 for the members of the Executive Committee, the current fixed long-term incentive plan was extended until 2022 and will cease to exist in 2023.

In that respect, the Board of Directors decided on 22 February 2022 in application of Article 7:91 BCCA and the remuneration policy to grant, within the framework of the annual (current) fixed long-term incentive plan, a gross remuneration of €184,112 for the CEO and €105,207 for each other member of the Executive Committee for the period 1 January 2022 until 31 December 2022 under the terms and conditions as explained hereafter (the '2022 LTIP'). After deducting withholding taxes, the 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 €83.25 (the closing share price on 7 March 2022 of €99.90 multiplied by 100/120). In execution of this 'long-term incentive plan', the CEO acquired 1,028 shares, the CFO and the COO each 587 shares, the CLO/CM&AO and CIO each 588 shares. The 2022 LTIP provides for a vesting scheme spread over a three-year period (year 0: 0% vested; year 1: 20% vested; year 2: 50% vested; year 3: 100%

Tampere Sisunaukio
- Tampere (FI)



vested) and for vesting conditions that are aligned with what is market practice and generally considered to be acceptable, in line with the terms and conditions of the previous long term incentive plans as adapted by decision of the Board of Directors of 17 December 2020 to accommodate shareholders concern (see remuneration report 2019/2020) (in particular the removal of the takeover and change of control clauses from the good leaver exceptions).

The gross remuneration granted to the members of the Executive Committee under the long-term incentive plan 2022 consists of the same amounts as under the previous plan, save for indexation.

It was indicated in the remuneration report 2021 that the Board of Directors would order a benchmark study from the independent specialist consultant Willis Towers Watson in order to assess the market conformity of the remuneration of the members of the Executive Committee as provided in the remuneration policy (the latest benchmark study executed by Willis Towers Watson dated already from June 2019). This benchmark study was conducted by Willis Towers Watson in the first half of 2022. The benchmarked group consisted of the following European peers: Cofinimmo, Immobel, Warehouses de Pauw, Gecina, Icade, Klepierre, Korian, Orpea, Deutsche Wohnen, Patrizia, Vonovia, Grand City Properties, Shurgard Self Storage, Eurocommercial Properties, Redevco, Fabege, Hemso, SBB, PSP Swiss Property, Assura, Hammerson, Land Securities Group and Segro.

Based on the outcome of this benchmark, the Board of Directors decided on 29 March 2022, upon recommendation of the Nomination and Remuneration Committee, to increase the fixed remuneration of the members of the Executive Committee as described hereafter to bring the total remuneration within a range of what is considered on the basis of the benchmark and the market rates of the peer group as competitive executive pay levels.

In that respect, the fixed remuneration of the members of the Executive Committee were adapted as follows:

- CEO: increase of fixed remuneration spread over a three-year period, as follows:
 - as from 1.07.2022: increase to €550,000;
 - as from 1.07.2023: increase with €50,000 (plus indexation of this amount per 1.07.2023);
 - as from 1.07.2024: increase with €50,000 (plus indexation of this amount per 1.07.2024).
- CFO: increase of fixed remuneration to €380,000 per 1.07.2022;
- CM&AO/CLO: increase of fixed remuneration to €320,000 per 1.07.2022;
- CIO: increase of fixed remuneration to €310,000 per 1.07.2022;
- COO: increase of fixed remuneration to €294,200.60 per 1.07.2022.

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.

Overview of shares vested in 2022 under long-term incentive plans

The table at the top on the right details the number of shares acquired by the members of the Executive Committee in previous years in application of the long-term incentive plans (reported in previous annual reports) and which have vested during the calendar year 2022.

Name	Identification of plan	Acquisition date of LTIP shares	Total number of LTIP shares acquired	Acquisition price of LTIP shares	Number of LTIP shares vested in 2022	Number of shares not yet vested
Stefaan Gielens	Ad Hoc LTIP	24/07/2019	1,173	79.17	586	/
		15/06/2020	171	81.33	51	86
	2019/2020 LTIP	12/12/2019	1,215	89.50	607	/
	2020 LTIP	17/12/2020	501	81.08	150	251
	2021 LTIP	15/04/2021	964	84.25	192	772
	2022 LTIP	14/03/2022	1,028	83.25	/	1,028
Ingrid Daerden	Ad Hoc LTIP	24/07/2019	588	79.17	294	/
	2019/2020 LTIP	12/12/2019	680	107.40	340	/
	2020 LTIP	17/12/2020	286	81.08	85	143
	2021 LTIP	15/04/2021	552	84.25	110	442
	2022 LTIP	14/03/2022	587	83.25	/	587
Sven Bogaerts	Ad Hoc LTIP	24/07/2019	586	79.17	293	/
	2019/2020 LTIP	12/12/2019	648	107.40	324	/
	2020 LTIP	17/12/2020	286	81.08	85	143
	2021 LTIP	15/04/2021	551	84.25	110	441
	2022 LTIP	14/03/2022	588	83.25	/	588
Charles-Antoine van Aelst	Ad Hoc LTIP	24/07/2019	586	79.17	293	/
	2019/2020 LTIP	12/12/2019	633	107.40	316	/
	2020 LTIP	17/12/2020	286	81.08	85	143
	2021 LTIP	15/04/2021	551	84.25	110	441
	2022 LTIP	14/03/2022	588	83.25	/	588
Raoul Thomassen	2021 LTIP	15/04/2021	459	84.25	91	368
	2022 LTIP	14/03/2022	587	83.25	/	

8.2.2.2 Variable remuneration

Short-term variable remuneration

As described in the remuneration policy, the members of the Executive Committee are entitled to an annual bonus subject to the realisation of both collective and personal objectives.

The target bonus for performance is equal to 40% of the 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 recognised performance level. The aggregate annual bonus may 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%)

On 15 February 2023, the Board of Directors concluded, based on the recommendation of the Nomination and Remuneration Committee and after validation of the financial results per 31 December 2022 by the Audit and Risk Committee that the quantitative and

qualitative criteria set out for the annual short term incentive plan 2022 in the Board's decision of 29 March 2022 and determined in line with the remuneration policy were met for payment of the variable remuneration to the members of the Executive Committee for the financial year 2022, as follows:

Period 1 January 2022 – 31 December 2022	Relative weighting	Objective set by the Board of Directors	Achievement on 31 December 2022
Consolidated EPRA Earnings* per share	70%	€4.91 based on 36,308,157 shares (maximum recognised performance)	EPRA earnings* per share of €4.76 based on a weighted average number of shares over the period of 38,113,384 shares (i.e. €5.15 based on 36,308,157 shares) In excess of maximum recognised performance (125% of target bonus attributed)
Consolidated EBIT margin* (operating result before result on portfolio divided by net rental income)	15%	83.80% (maximum recognised performance)	Consolidated EBIT margin* of 84.60% In excess of maximum recognised performance (125% of target bonus attributed)
Individuals qualitative and organisation- building targets	15%		Individual targets levels achieved outstanding (125% of target bonus attributed)

Long-term variable remuneration

As described in the remuneration policy, the 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).

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 recognised performance level. The aggregate long-term incentive may thus vary between 0 and 50% of the annual fixed remuneration at grant, depending on the realisation of the targets.

The actually earned incentive award is determined on the basis of the following mix of collective, financial and non-financial, KPI-types (key performance indicators) and corresponding weighting factors:

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

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

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.

On 29 March 2022 the Board of Directors selected the specific KPIs for the (second) performance cycle of the long-term incentive plan (period 2022-2024) within the range of categories of financial

and non-financial KPIs set out in the Remuneration Policy. The realisation of the KPIs for this performance cycle of the long-term incentive plan will be evaluated early 2025. A payment under this plan (insofar as the KPIs are achieved) will take place in 2025.

Period 1 January 2022 – 31 December 2024	Relative weighting	Achievement on 31 December 2022
Financial KPI		
Average EPS growth (CAGR)	70%	Performance period ongoing
Non-financial KPI		
EPC Coverage of the Group's portfolio	15%	Performance period ongoing
Employee satisfaction	15%	Performance period ongoing

The first performance cycle of the long-term incentive plan (period 2021-2023) was set last year by the Board of Directors (see remuneration report 2021). The realisation of the KPIs for this performance cycle of the long-term incentive plan will be evaluated early 2024 and will be reported in the remuneration report 2023 (submitted to the General Meeting in 2024).

8.2.2.3 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.

8.2.2.4 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 2022 financial year, the cost to the Company (rental charge and petrol) was €21,203 excl. VAT for the CEO and a combined total of €65,315 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.

8.2.3 Total remuneration

Name	Fixed remuneration		Variable remuneration (€)				Total remuneration (€)	Ratio of fixed / variable remuneration (€)
	Annual fixed remuneration (€)	Long term incentive plan 2021 (€)	One-year variable	Multi-year variable	Pension plan contribution (€)	Other benefits (€)		
Stefaan Gielens (CEO)	541,472	184,112	270,736	/	77,480	30,856	1,104,656	75/25
Ingrid Daerden (CFO)	360,353	105,207	180,176	/	39,260	13,743	698,740	74/26
Raoul Thomassen (COO)	281,811	105,207	140,905	/	32,188	17,825	577,936	76/24
Charles-Antoine van Aelst (CIO)	306,122	105,207	153,061	/	34,390	13,580	612,360	75/25
Sven Bogaerts (CLO/CM&AO)	325,172	105,207	162,586	/	39,700	3,260	635,926	74/26

For information purposes, note that the ratio between the total remuneration of the CEO for 2022 and the average remuneration of personnel amounts to 9; the ratio between the total remuneration of the CEO for 2022 and the lowest remuneration of personnel amounts to 19.

8.2.4 Contractual provisions of the management agreements

8.2.4.1 Termination of management agreements

The management agreements signed with the members of the Executive Committee 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 the fit and proper approval of the Executive Committee member;
- immediately if the Executive Committee member does not act as Executive Committee member during a period of 3 months, except in case of illness or accident;
- immediately if the Executive Committee member cannot act as Executive Committee member during a period of 6 months, in case of illness or accident.

The only case in which a contractual indemnity granted to 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 by Aedifica within six months after a change of control (including a public takeover bid) 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. In 2022 there were no departures from the Board of Directors or the Executive Committee and no severance payments have therefore been paid.

8.2.4.2 Clawback

In line with the remuneration policy, the management agreements with the members of the Executive Committee provide for a clawback mechanism for both the (performance based) 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.

There were no circumstances in 2022 which could have resulted in the use of the clawback.

8.2.5 Share ownership requirement

All members of the Executive Committee possess the minimum number of shares in the Company as stipulated by the remuneration policy (see pages 104-105 for specific number of shares held), except for Mr Thomassen who only took up his position as COO and member of the Executive Committee on 1 March 2021 and has until 28 February 2026 to reach the minimum threshold.

8.3 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.

The Non-Executive Directors have always received a fixed remuneration (annual remuneration + attendance fee) in cash. Since the financial year 2015/2016, the amounts of (elements of) the remuneration of the Non-Executive Directors have only been changed further to decisions of the General Meetings of 28 October 2016¹, 22 October 2019² and 11 May 2021³.

Finally, the numbers in the below table are also influenced by:

- the decision of the Board of Directors of 22 October 2019 to grant to Mr Hohl, Non-Executive Director at that time, an additional fixed annual remuneration of €5,000 for his special assignment at that time as responsible for the internal audit (in accordance with Article 17 of the RREC legislation), due until the end of this director mandate (26 October 2020);
- the remuneration of Mr Franken in his capacity as Director of Immobel 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 Immobel 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);
- the expansion of the Board of Directors on 8 June 2020 with Mr Pertti Huusonen, independent Non-Executive Director.

Other than that, the changes to the remuneration of the Non-Executive Directors vary thus only from year to year in view of the number of meetings of the Board of Directors and of the Board committees and attendance rates.

Annual change in %	FY 2017/2018 vs 2016/2017	FY 2018/2019 vs 2017/2018	FY 2019/2020 ⁴ vs 2018/2019	FY 2021 vs 2019/2020	FY 2022 vs 2021
Remuneration of the Non-Executive Directors					
	2%	2%	15%	29%	1%
Remuneration of the CEO (total)					
Stefaan Gielens	7%	23%	12%	- 10%	6%
Average remuneration of the other members of the Executive Committee (total)					
Sven Bogaerts	33%	62%	- 7%	7%	
Ingrid Daerden		15%	- 8%	14%	
Charles-Antoine van Aelst	28%	37%	8%	10%	
Raoul Thomassen			- ⁵	37%	
Total cost of Executive Committee (including CEO)	37%⁶	14%	15%⁷	-10%⁸	13%⁹
Company's performance¹⁰					
Investment properties (including assets held for sale)	13%	33%	62%	29%	16%
Investment properties (including assets held for sale) + WIP	31%	25%	64%	28%	16%
Rental income	16%	29%	34%	24%	18%
EPRA Earnings*	22%	24%	34%	30%	20%
EPRA EPS	3%	15%	9%	3%	9%
Average remuneration on a full-time equivalent basis of employees of Aedifica SA/NV¹¹					
Employees of the Company	5%	18%	13%	4%	8%

8.4 Main changes for 2023

8.4.1 Non-Executive Directors

The level of remuneration is regularly assessed and benchmarked against a market peer group in order to enable the Company to continue to attract and retain internationally experienced director profiles for the Company, taking into account and evolving with the size, growth and internationalisation of the Company. The last benchmark was conducted in 2020. No change is foreseen in the remuneration of the Non-Executive Directors in 2023.

8.4.2 Members of the Executive Committee

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 approved remuneration policy.

In accordance with the Board decision of 29 March 2022 (as described under section 8.2.2), the increase of the fixed remuneration of Mr Gielens as CEO is spread over three years, resulting in an adjustment of his fixed remuneration on 1 July 2023 and on 1 July 2024 to bring the remuneration to a competitive level of remuneration in line with the identified peer group from the benchmark.

In line with the remuneration policy (and as described under section 8.2.2) a final award under the fixed long-term incentive plan was granted to the members of the Executive Committee in 2022. As from 2023 this fixed long-term incentive plan will cease to exist and will no longer be offered to the members of the Executive Committee.

1. Decision of the Ordinary General Meeting of 28 October 2016 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.
2. Decision of the Ordinary 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.
3. Decision of the Ordinary General Meeting of 11 May 2021 to increase 1) the fixed annual remuneration by €40,000 from €50,000 to €90,000 for the chairperson of the Board of Directors and 2) the fixed annual remuneration by €20,000 from €15,000 to €35,000 for each other Non-Executive Director.
4. 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 annualised from 18 months to 12 months.
5. No comparison can be made since Mr Thomassen's mandate only started on 1 March 2021.
6. 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).
7. The change 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, Altera Vastgoed, Redevco, Vastned Groep, Wereldhave, Alinso Group, Codic International, Deutsche Wohnen, Hochtief, Foncière des Régions, Gécina, Klépierre, Unibail Rodamco and OVG Real Estate.
8. The downwards change in total remuneration of the Executive Committee can be explained by (i) Raoul Thomassen's mandate as COO and member of the Executive Committee which only started as from 1 March 2021 and (ii) the remuneration base for the extended FY 2019/2020 which is equal to the received remuneration over 18 months annualised on 12 months.
9. The change in remuneration can be explained by the increase in remuneration as from 1 July 2022 as explained above under section 8.2.2.
10. 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 December 2020.
11. 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.

9. Regulations and procedures

9.1 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 are immediately made public and are explained in the Annual Financial Report and, where appropriate, in the Half-Year Financial Report.

Articles 7:96 and 7:97 of the Belgian Code of Companies and Associations, as well as Article 37 of the RREC Act (and the exceptions under Article 38 of the RREC Act), always need to be taken into consideration. These legal provisions concern the procedures that need to be followed in case a conflict of interest arises.

No conflict of interest in relation to real estate transactions occurred during 2022. The only conflicts of interest that did occur during the 2022 financial year related to the remuneration of the members of the Executive Committee and of Mr Huuskonen, as explained below.

Minutes of the meeting of the Board of Directors of 22 February 2022

In accordance with article 7:96 of the Belgian Code on Companies and Associations and article 37 of the Belgian Regulated Real Estate Act, Mr Stefaan Gielens, Ms Ingrid Daerden, Mr Sven Bogaerts and Mr Charles-Antoine van Aelst each declared that they have a possible interest of a patrimonial nature which conflicts with the Company's interest, about which they will inform the Statutory Auditor. Mr Raoul Thomassen, who is not a member of the Board of Directors (and thus has no conflict of interest within the meaning of article 7:96 of the Belgian Code on Companies and Associations), also declared – in his capacity of member of the Executive Committee and effective leader – to have an interest of a patrimonial nature that conflicts with the Company's interest within the meaning of article 37 of the Belgian Regulated Real Estate Act.

This conflict of interest arises because the Board of Directors will deliberate and resolve on certain elements of the remuneration of the members of the Executive Committee. All members of the Executive Committee then leave the meeting with respect to the deliberation and decision-making on the agenda items 6b, 6c, 6d, 6e and 6f.

Remuneration of the members of the Executive Committee: STI variable remuneration 2021

The Board of Directors has set on 16 March 2021, in line with the remuneration policy, the personal KPIs as well as the performance levels (targets, minimum thresholds and maximum performance levels) of the collective and personal KPIs for the short-term variable remuneration of the members of the Executive Committee for the financial year 2021 (which have been included in the addenda to the management contracts).

The realisation of the performance levels and the proposed bonus amounts to be granted to the members of the Executive Committee under the STI variable remuneration have been the subject of an overall evaluation by the Nomination and Remuneration Committee on 28 January 2022 and 4 February 2022 on the basis of the (draft) financial figures as approved by the Board of Directors on 22 February 2022.

The Board of Directors concludes, based on the recommendation of the Nomination and Remuneration Committee and after validation of the financial figures per 31 December 2021 by the Audit and Risk Committee that for the payment of the variable short-term remuneration to the members of the Executive Committee for the financial year 2021:

- (i) with respect to the collective KPIs: the maximum performance levels were achieved; and
- (ii) with respect to the individual KPIs: the performance levels were achieved from in line with expectations (target level) to outstanding (maximum performance level).

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Remuneration of the members of the Executive Committee: LTIP 2022

Since the variable long-term incentive plan provided in the remuneration policy will deliver its first award only early 2024, after the expiration of the first three-year performance cycle (2021-2023) and subject to achievement of the KPIs over the covered performance cycle, it was decided in the context of the remuneration policy to extend the fixed long-term incentive plan until 2022, in order to avoid a material loss in remuneration for the members of the Executive Committee in 2021 and 2022.

In application thereof, the Nomination and Remuneration Committee proposes to grant to the members of the Executive Committee the right to participate in a fixed “long term incentive plan” for the financial year 2022, under the same terms and conditions as the previous long term incentive plan (i.e., the 2021 LTIP), for a gross amount equal to the gross amount of the 2021 LTIP plus the indexation over 2021, namely a gross amount of €184,112 for the CEO and €105,207 for each other member of the Executive Committee.

Upon recommendation of the Nomination and Remuneration Committee, the Board of Directors decides in application of article 7:91 BCCA to grant to the members of the Executive Committee the right to participate in a “long term incentive plan” for the financial year 2022 for a gross amount of €184,112 for the CEO and €105,207 for each other member of the Executive Committee, under the same terms and conditions as the 2021 LTIP.

In accordance with the remuneration policy, this fixed annual long term incentive plan will cease to exist in 2023 and is thus awarded for the last time.

Remuneration of the members of the Executive Committee: STI variable 2022: KPIs + performance levels

This item is postponed to the next meeting of the Board of Directors.

Remuneration of the members of the Executive Committee: LTI variable for the performance cycle 2022-2024: KPIs + performance levels

This item is postponed to the next meeting of the Board of Directors.

Travel time reimbursement for non-resident directors

In accordance with article 7:96 of the Belgian Code on Companies and Associations and article 37 of the Belgian Regulated Real Estate Act, Mr Pertti Huuskonen declared that he has a possible interest of a patrimonial nature which conflicts with the Company's interest, about which he will inform the Statutory Auditor.

This conflict of interest arises because the Board of Directors will deliberate and resolve on certain elements of the remuneration of Mr Huuskonen. Mr Huuskonen then leaves the meeting with respect to the deliberation and decision-making on this agenda item.

Pursuant to the remuneration policy, the Board of Directors may 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 eligible to receive a special travel allowance of €300 to cover their travel time, so to ensure that international candidates can also be attracted to fulfil a Board mandate with Aedifica.

In application of this rule, the Board of Directors confirms that the special travel allowance of €300 mentioned in the remuneration policy is granted to Mr Huuskonen, residing in Finland, for each trip from abroad to attend an Aedifica Board meeting.

Minutes of the meeting of the Board of Directors of 29 March 2022

In accordance with article 7:96 of the Belgian Code on Companies and Associations and article 37 of the Belgian Regulated Real Estate Act, Mr Stefaan Gielens, Ms Ingrid Daerden, Mr Sven Bogaerts and Mr Charles-Antoine van Aelst each declared that they have a possible interest of a patrimonial nature which conflicts with the Company's interest, about which they will inform the Statutory Auditor. Mr Raoul Thomassen, who is not a member of the Board of Directors (and thus has no conflict of interest within the meaning of article 7:96 of the Belgian Code on Companies and Associations), also declared – in his capacity of member of the Executive Committee and effective leader – to have an interest of a patrimonial nature that conflicts with the Company's interest within the meaning of article 37 of the Belgian Regulated Real Estate Act.

This conflict of interest arises because the Board of Directors will deliberate and resolve on certain elements of the remuneration of the members of the Executive Committee. All members of the Executive Committee then leave the meeting with respect to the deliberation and decision-making on the agenda items 6b, 6c and 6d.

Remuneration of the members of the Executive Committee: STI variable 2022: KPIs + performance levels

Pursuant to the remuneration policy, the KPIs and their respective relative weighting for the short-term variable annual bonus of the members of the Executive Committee are set as follows:

Collective KPIs (85%)	Personal KPIs (15%)
EPS (70%)	Operating margin (15%)

The Nomination and Remuneration Committee has made a proposal on the personal KPIs and on the performance levels (target, minimum threshold and maximum performance level) of the collective KPIs and corresponding bonus levels under the short-term variable bonus (see Annex 1) which is discussed by the Board of Directors. As described in the remuneration policy, the target bonus for target performance is 40% of the annual fixed remuneration. Since no bonus is due for actual performance below the retained threshold level, and since in case of performance at, or in excess of the maximum recognised performance level, the bonus is capped at a maximum of 50% of the annual fixed remuneration, the variable short-term bonus will consequently vary between 0 and 50% of the annual fixed remuneration, depending on the realisation of the targets.

Upon deliberation, the Board of Directors approves the Nomination and Remuneration Committee's proposal and requests the Nomination and Remuneration Committee to prepare the addenda to the management agreements to include this decision.

Remuneration of the members of the Executive Committee: LTI variable for the performance cycle

2022-2024: KPIs + performance levels

In accordance with the remuneration policy (as approved by the Board of Directors), the specific KPIs and performance levels for the performance cycle 2022-2024 in the context of the long-term variable remuneration for the members of the Executive Committee must be based on the following mix of collective financial and non-financial types of KPIs and their respective relative weighting:

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

The Nomination and Remuneration Committee has made on that basis a proposal for the specific KPIs, applicable performance levels (target, minimum threshold and maximum performance level) and corresponding bonus levels for the performance cycle 2022-2024 (see Annex 2) which is discussed by the Board of Directors. As described in the remuneration policy, the variable long-term bonus will vary between 0 and 50% of the annual fixed remuneration at grant, depending on the realisation of the targets: no bonus is due for actual performance below the retained threshold level; in case of performance at, or in excess of the maximum recognised performance level, the bonus is capped at a maximum 50% of the annual fixed remuneration at grant.

Upon deliberation, the Board of Directors approves the Nomination and Remuneration Committee's proposal for the performance cycle 2022-2024 and requests the Nomination and Remuneration Committee to prepare the addenda to the management agreements to include this decision.

Fixed remuneration of the members of the Executive Committee

As indicated during the previous Board meeting, the Nomination and Remuneration Committee has requested Willis Towers Watson to perform a new benchmark study concerning the remuneration of the members of the Executive Committee. The latest study dated from June 2019.

Based on the results of this new benchmark study, the Nomination and Remuneration Committee proposes within the framework of the existing remuneration policy some adaptations to the fixed remuneration of the members of the Executive Committee to enter into force as from 1 July 2022. The proposed adaptations are described in Annex 3 to these minutes and are discussed by the Board.

Upon deliberation, the Board of Directors approves the Nomination and Remuneration Committee's proposal to increase the fixed remuneration of the members of the Executive Committee and requests the Nomination and Remuneration Committee to prepare the addenda to the management agreements to include this decision.

9.2 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, Group 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.

9.3 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.

9.4 Research and development

Aedifica does not carry out any research and development activities as referred to in Articles 3:6 and 3:32 BCCA.

9.5 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.

Within the scope of the authorised capital (see section 3.2 of the Financial Report), and by a decision of the Board of Directors of 17 May 2022, the capital was increased by €1,957,234.71 to bring the amount of €958,091,797.21 to €960,049,031.92 via a contribution in kind. 74,172 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 in the Company's profits for the 2022 financial year as of 1 January 2022.

Pursuant to a decision by the Board of Directors of 23 June 2022 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 Financial Report) was increased on 29 June 2022 by €77,184,267.63 to bring it from €960,049,031.92 to €1,037,233,299.55. 2,925,000 new shares, with no nominal value, were issued. Those new shares will participate pro rata temporis in the Company's profits for the 2022 financial year as from 29 June 2022.

Within the scope of the authorised capital (see section 3.2 of the Financial Report), and by a decision of the Board of Directors of 6 July 2022, the capital was increased by €14,458,236.18 to bring the amount of €1,037,233,299.55 to €1,051,691,535.73 via a contribution in kind. 547,914 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 2022 financial year as of 29 June 2022.

An appropriate explanation regarding the conditions and the actual consequences of the capital increase of 23 June 2022, whereby the preferential right of the shareholders was cancelled without allocation of an irreducible priority allocation right, 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 23 June 2022. 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.

9.6 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 2022, the capital amounts to €1,051,691,535.73. It is represented by 39,855,243 shares, each representing 1/39,855,243rd 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 Belgian 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 39,855,243 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 2022, Aedifica held 277 treasury 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 28 July 2022, 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) 20% of the capital amount on the date of the Extraordinary General Meeting of 28 July 2022, 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 28 July 2022, 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 2 years, starting from the publication of the decision of the Extraordinary

General Meeting of 28 July 2022 in the Appendices to the Belgian Official Gazette.

As at 31 December 2022, the balance of the authorised capital amounts to 1) €525,845,767.86 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) €210,338,307.14 for capital increases within the framework of the distribution of an optional dividend, and 3) €105,169,153.57 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 (€1,051,691,535.73), the Company is able to raise its capital by €1,051,691,535.73.

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 Belgian Companies and Associations Code, subject to notification of the transaction to the FSMA. As at 31 December 2022, Aedifica had pledged none 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 suspend the use of the credit and/or 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 entered into with BNP Paribas Fortis on 15 June 2016, 24 February 2017, 14 November 2017, 31 October 2019, 23 June 2021 and 6 July 2022;
- the credit agreements entered into with KBC Bank on 12 November 2019, 8 June 2021, 7 April 2022 and 30 January 2023;
- the credit agreements entered into with KBC Bank, German branch on 16 November 2017;
- the credit agreement entered into with Caisse d'Epargne Hauts De France on 4 January 2018;
- the credit agreements entered into with Banque Européenne du Crédit Mutuel on 25 May 2018 and 21 December 2018;
- the credit agreements entered into with Belfius Bank on 27 June 2016, 14 May 2018, 21 December 2018, 18 May 2020, 12 July 2021 and 31 March 2022;
- the credit agreements entered into with ING Belgium on 14 February 2017, 15 May 2018, 15 July 2021, 14 June 2022 and 22 November 2022;
- the credit agreements entered into with BNP Paribas Niederlasung Deutschland on 6 November 2019;
- the credit agreements entered into with Triodos Bank on 3 February 2017 and 15 May 2018;
- the credit agreements entered into with Argenta Spaarbank and Argenta Assuranties on 20 December 2017;

- the syndicated loan agreement entered into with the BPCE group on 29 June 2018;
- the credit agreements entered into with ABN Amro Bank on 12 March 2021, 27 July 2021, 22 November 2021 and 28 July 2022;
- the credit agreements entered into with Société Générale on 13 March 2020 and 31 August 2020;
- the credit agreement entered into with Intesa Sanpaolo S.p.A., Amsterdam branch, on 8 June 2022;
- the credit agreement entered into with Bank Of China (EUROPE) S.A. on 1 July 2022;
- the Company's guarantees towards the European Investment Bank, in favour of Hoivatilat Oyj (a wholly-owned subsidiary of the Company) for the fulfilment of the latter's payment obligations under the credit agreements it entered into with the European Investment Bank on 21 May 2018 and 20 June 2019 and subsequently and most recently amended on 28 February 2023.

In addition, the treasury notes issued on 17 December 2018 under the long-term treasury notes programme contain a change of control clause.

The USPP Bond 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.

The Sustainability Bond issued by the Company on 2 September 2021 also contains 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), apart from the clauses included in the credit and debt agreements dating from after the last Ordinary General Meeting of 10 May 2022, for which approval of the change of control clause will be requested at the General Meeting of 9 May 2023.

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.

10. Group structure

As of 31 December 2022, Aedifica NV/SA holds perimeter companies in nine different countries: **Belgium, Luxembourg, Germany, the Netherlands, the United Kingdom** (including the British Crown Dependencies Jersey and Isle of Man), **Finland, Sweden, Ireland and Spain**.

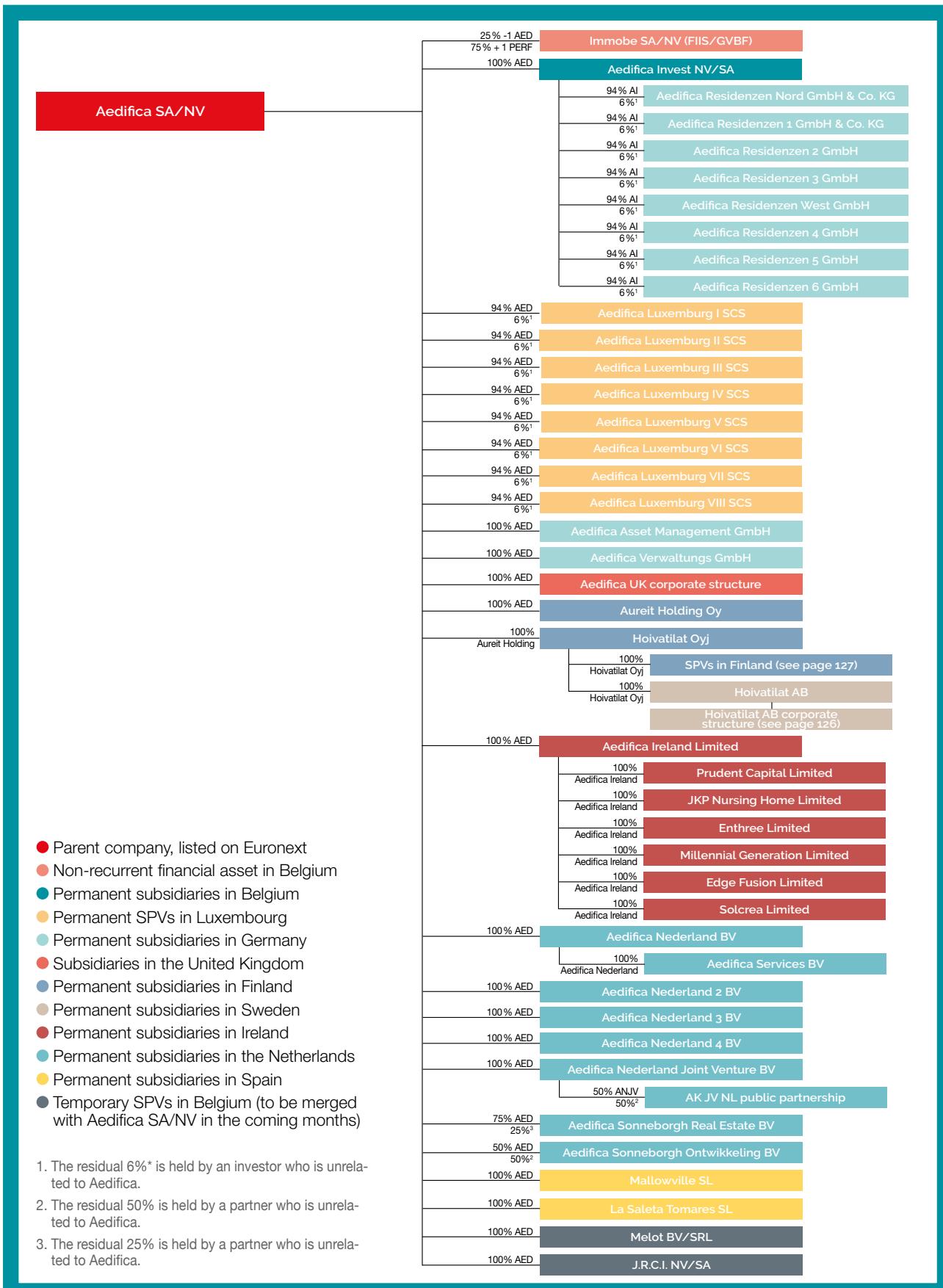
The real estate located in a certain country is always held by a perimeter company of Aedifica in that certain country, with the exception of (i) certain assets located in Germany which are not only held by the German perimeter companies, but also partially by Aedifica NV/SA and Aedifica's Luxembourg perimeter companies and (ii) the asset located in the Isle of Man which is held by a Jersey perimeter company.

The organisational chart on pages 124-127 shows the Group's perimeter as well as its share in each perimeter company.

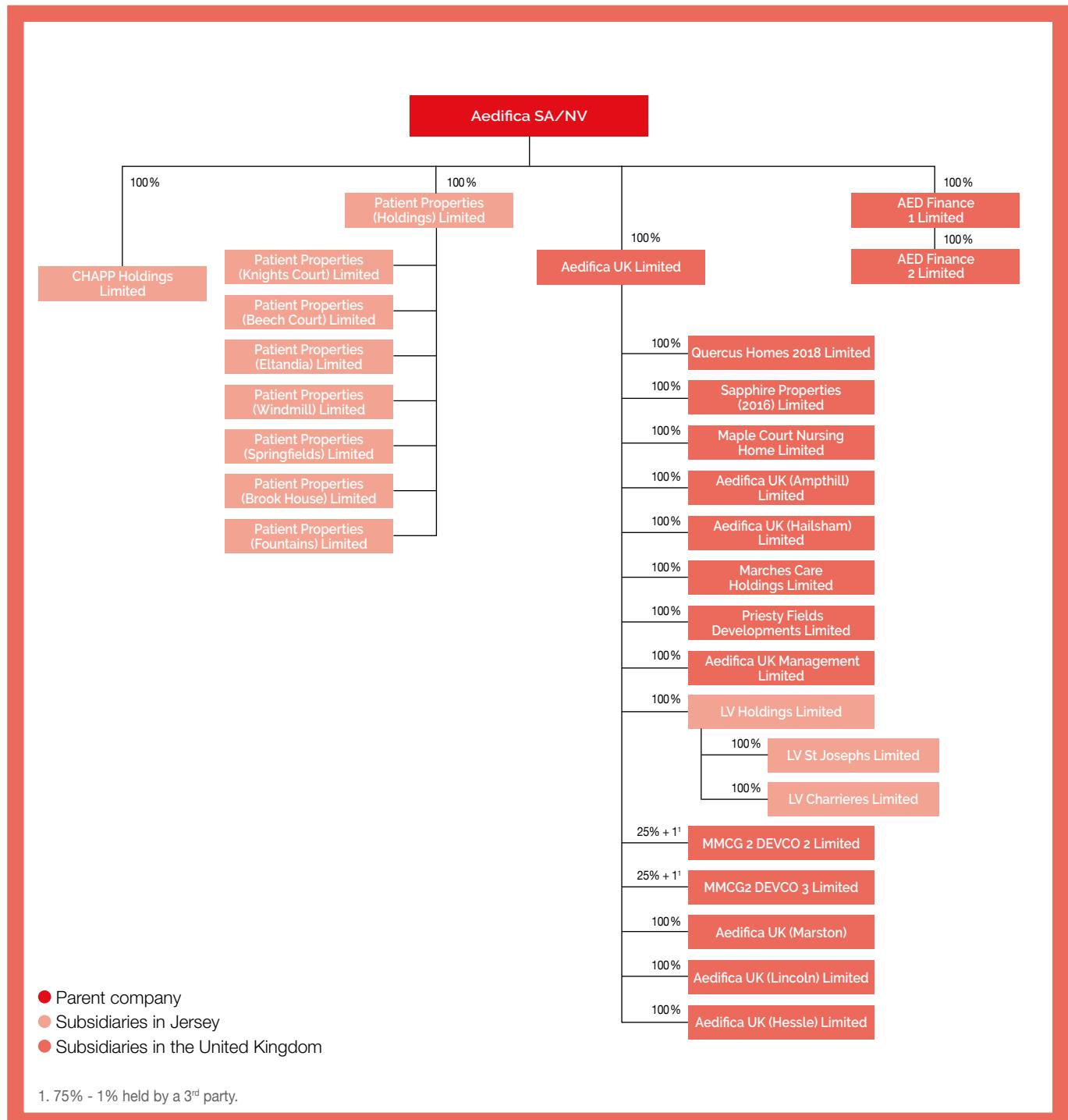
Oulu Valjastie - Oulu (FI)



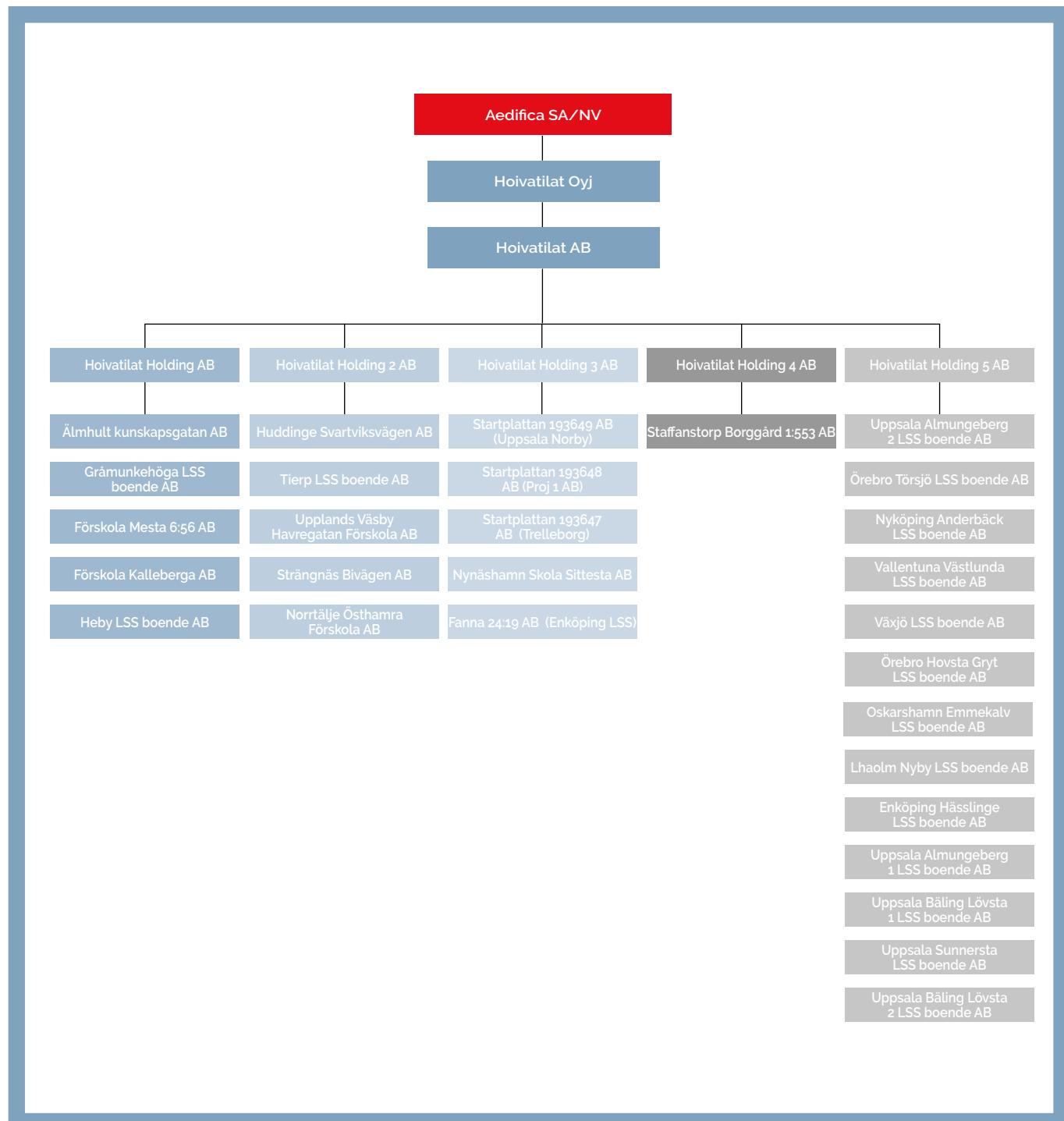
Aedifica NV/SA Group – Structure as of 31 December 2022



Aedifica - UK corporate structure as of 31 December 2022



Aedifica - Hoivatilat's SPVs in Sweden as of 31 December 2022



Aedifica - Hoivatilat's SPVs in Finland as of 31 December 2022

Koy Kalajoen Hannilantie	Koy Turun Vähäheikkiläntie	Koy Espoon Hirvisuontie
Koy Kuopion Rantaraitti	Koy Raison Tenavakatu	Koy Iisalmen Kangaslammintie
Koy Nokian Viikkulankatu	Koy Limingan Kauppakaari	Koy Euran Käräjämäentie
Koy Kotkan Loitsutie	Koy Espoon Tikasmäentie	Koy Pieksämäen Ruustinnantie
Koy Kirkkonummen Kotitonttukuja	Koy Hämeenlinnan Vanha Alikartanontie	Koy Kokkolan Ankkurikuja
Koy Uudenkaupungin Merimetsopolku B	Koy Espoon Falläkerinrinne	Koy Espoon Kurttilantie
Koy Varkauden Kaura-ahontie	Koy Porvoon Peippolankuja	Koy Kuopion Pirttikaari
Koy Pirkkalan Perensaarentie	Koy Jyväskylän Harjutie	Koy Valkeakosken Juusontie
Koy Varkauden Savontie	Koy Nurmijärven Luhtavillantie	Koy Rovaniemen Rakkakiventie
Koy Jyväskylän Haperontie	Koy Tampere Sisaukio	Koy Oulun Ukkoherrantie B
Koy Tornion Torpin Rinnakkaiskatu	Koy Tampereen Teräskatu	Koy Nurmijärven Ratakuja
Koy Jyväskylän Mannisenmäentie	Koy Helsingin Radiokatu	Koy Hämeenlinnan Jukolanraitti
Koy Espoon Oppilantie	Koy Limingan Saunarannantie	Koy Mikkeliin Ylännetti 8
Koy Raahen Palokunnanhovi	Koy Helsingin Käräjätävantie	Koy Rovaniemen Matkavaarantie
Koy Mikkeliin Ylännetti 10	Koy Helsingin Kutomokuja	Koy Sipoon Aarretie
Koy Porin Koekatu	Koy Pateniemenranta	Koy Vaasan Vanhan Vaasankatu
Koy Kaarinan Nurminiitynkatu	Koy Lahden Vallesmanninkatu B	Koy Ylivieskan Mikontie 1
Koy Kouvolan Kaartokuja	Koy Vantaan Punakiventie	Koy Oulun Sarvisuontie
Koy Iisalmen Eteläisen Puistoraitti	Koy Laukaan Hytösenkuja	Koy Jyväskylän Palstatie
Koy Lahden Piiksamikatu	Koy Lohjan Ansatie	Koy Vihdin Hildenrannantie
Koy Mikkeliin Vääänäsenpolku	Koy Kajaanin Erätie	Koy Porvoon Haarapääsyntie
Koy Kajaanin Valonkatu	Koy Hollolan Sarkatie	Koy Äänekosken Likolahdenkatu
Koy Turun Lukkosepänkatu	Koy Kokkolan Vanha Ouluntie	Koy Lahden Makarantie
Koy Sastamalan Tyrväänyläntie	Koy Uudenkaupungin Merimetsopolku C	Koy Keravan Männiköntie
Koy Keuruun Tehtaatie	Koy Uudenkaupungin Puusepänkatu	Koy Kangasalan Rekiäläntie
Koy Sipoon Aarrepuistonkuja	Koy Ylivieskan Ratakatu 12	Koy Riihimäen Jyrätie
Koy Uudenkaupungin Merilinnuntie	Koy Iisalmen Vemmelkuja	Koy Kouvolan Vainiolankuja
Koy Iisalmen Petter Kumpulaisentie	Koy Siilinjärven Risulantie	Koy Turun Lemmontie
Koy Laukaan Saratie	Koy Pihlajipuisto Nurmelanpolku	Koy Lohjan Porapojankuja
Koy Sotamon Kirkotie	Koy Lappeenrannan Orioninkatu	Koy Jyväskylän Sulkulantie
Koy Raahen Vihastenkirkatu	Koy Orimattilan Suppalanpolku	Koy Oulun Raamipolku
Koy Oulun Soittajanlenkki	Koy Nokian Näsijätku	Koy Mikkeliin Kastanjakuja
Koy Jyväskylän Ailikinkatu	Koy Porvoon Fredrika Runebergin katu	Koy Loimaan Itsenäisydenkatu
Koy Kuopion Amerikanraitti 10	Koy Mäntyharjun Lääkäriinkuja	Koy Kouvolan Rannikkotie
Koy Kajaanin Hoikankatu	Koy Kangasalan Hilmahovi	Koy Nokian Kivimiehenkatu 4
Koy Myrämäen Opintie	Koy Iisalmen Satamakatu	Koy Jyväskylän Martikaisentie
Koy Jyväskylän Väyppojanpolku	Koy Kempeleen Ihmeantie	Koy Jyväskylän Haukanhaari
Koy Laihian Jarrumiehentie	Koy Porin Kerhotie 1	Koy Kotkan Särmääjätkatu 6
Koy Haminan Lepikörnäntie	Koy Ulvilan Kulmalantie	Koy Helsingin Lähdepolku
Koy Rovaniemen Mäkiranta	Koy Kajaanin Uitontie	Koy Helsingin Landbontie
Koy Paimion Mäkiläntie	Koy Heinolan Lähteentie	Koy Äänekosken Ääneniementie 22
Koy Lahden Jahtikatu	Koy Jyväskylän Väliharjutie	Koy Janakkalan Kekanahontie
Koy Porvoon Vanha Kuninkaantie	Koy Loviisan Mannerheiminkatu	Koy Oulun Ukkoherrantie A
Koy Vaasan Uusmetsäntie	Koy Raahen Kirkkokatu	Koy Nokian Luhtatie
Koy Kuopion Männistöntoku	Koy Kouvolan Vinttikaiontie	Koy Lempäälän Tampereentie
Koy Ylivieskan Alpuumintie	Koy Oulun Villa Sulka	Koy Järvenpään Auertie
Koy Rovaniemen Santamäentie	Koy Oulun Isopurjeentie 3	Koy Hämeenlinnan Ruununmylyntie
Koy Lahden Kurenniityntie	Koy Kaskisten Bladintie	Koy Kuopion Portti A2
Koy Oulun Ruismetsä	Koy Teuvan Tuokkolantie 14	Koy Kouvolan Ruskeasuonkatu
Koy Oulunsalon Vihannestie	Koy Vaasan Tehokatu 10	Koy Oulun Sillotie
Koy Rovaniemen Muonakuja	Koy Vaasan Mälikaiontie 22	Koy Vantaan Asolantie 14
Koy Nurmijärven Laidunalue	As Oy Seinäjoen Saga	Koy Kotkan Metsäkulmankatu 21
Koy Oulun Valjastie (Hintta)	Koy Salon Papinkuja	Koy Turun Malin Trällinkuja
Koy Kontiolahden Päiväperhosenkatu	Koy Hämeenlinnaa Kampuskaarre	Koy Espoon Kuurinkallio
Koy Vantaan Mesukantie	Koy Oulun Jähtivoudintie	Koy Vantaan Koivukylän Puistotie
Koy Rovaniemen Gardinkuja	Koy Espoon Rajamäärinahde	Koy Helsingin Työnjohtajankadun Seppä 3
Koy Ylöjärven Työväentalontie	Koy Oulun Juhlamarssi	Koy Tampereen Haiharansuu
Koy Vantaan Vuohirinne	Majakka Kiinteistöt Oy	Koy Helsingin Ensi Kodin tie 4
Koy Kangasalan Mäntyverjäntie	Koy Hakalahden Majakka	Koy Turun Paltankatu
Koy Vantaan Tuovintie	Koy Kokkolan Kaarelankatu 68	Koy Espoon Vuoripirtintie
Koy Espoon Meriväitäntie	Koy Kuopion Opistokuja 3	Koy Tuusulan Isokarhunkierto
Koy Rovaniemen Ritarinne	Koy Keravan Lehmuskatu	Koy Helsingin Pakarituvantie
Koy Ruskon Päälistönmäentie	As Oy Oulun Vaaraniha	Koy Lohjan Sahapäha
Koy Siilinjärven Sinisiipi	Koy Lahden Vallesmanninkatu A	Koy Laukaan Peurungantie
Koy Turun Teolisuuksatu	Koy Kajaanin Menninkäsentie	Koy Oulun Upseerinkatu
Koy Mäntsälän Liedontie	Koy Porin Ojantie	Koy Oulun jahtivoudintie (Riistakuja)
Koy Kuopion Sipulikatu	Koy Vihdin Vanhan Sepän tie	Koy Oulun Sillotie K21 A
Koy Oulun Paulareitti	Koy Siilinjärven Nilsäntie	Koy Oulun Sillotie K21 B
Koy Pirkkalan Lehtimäentie	Koy Järvenpään Yliopettajankatu	Koy Oulun Sillotie K21 C
Koy Tampereen Lentävänniemenkatu	Koy Oulun Salonpään koulu	Koy Helsingin Krämertintie
Koy Turun Vakiniituntie	Koy Mikkeliin Sahalantie	Koy Tuusulan Temmontie
Koy Maskun Ruskontie	Koy Espoon Matinkartanontie	Koy Vantaan Haravakuja
Koy Vantaan Koetilankatu	Koy Helsingin Kansantie	Koy Oulun Taitimarssi

Risk factors



Eds Prästgård 1-115 -
Upplands-Väsby (SE)



Aedifica's strategy aims to create long-term value for all its stakeholders by focusing on investing in European healthcare real estate. Through its 'buy and hold' strategy, the Group aims to create a solid and growing revenue stream and dividend while maintaining a robust and diversified balance sheet. However, Aedifica's operations are carried out in a constantly changing environment that exposes the Group to internal and external risks and uncertainties that could impact its ability to achieve its objectives.

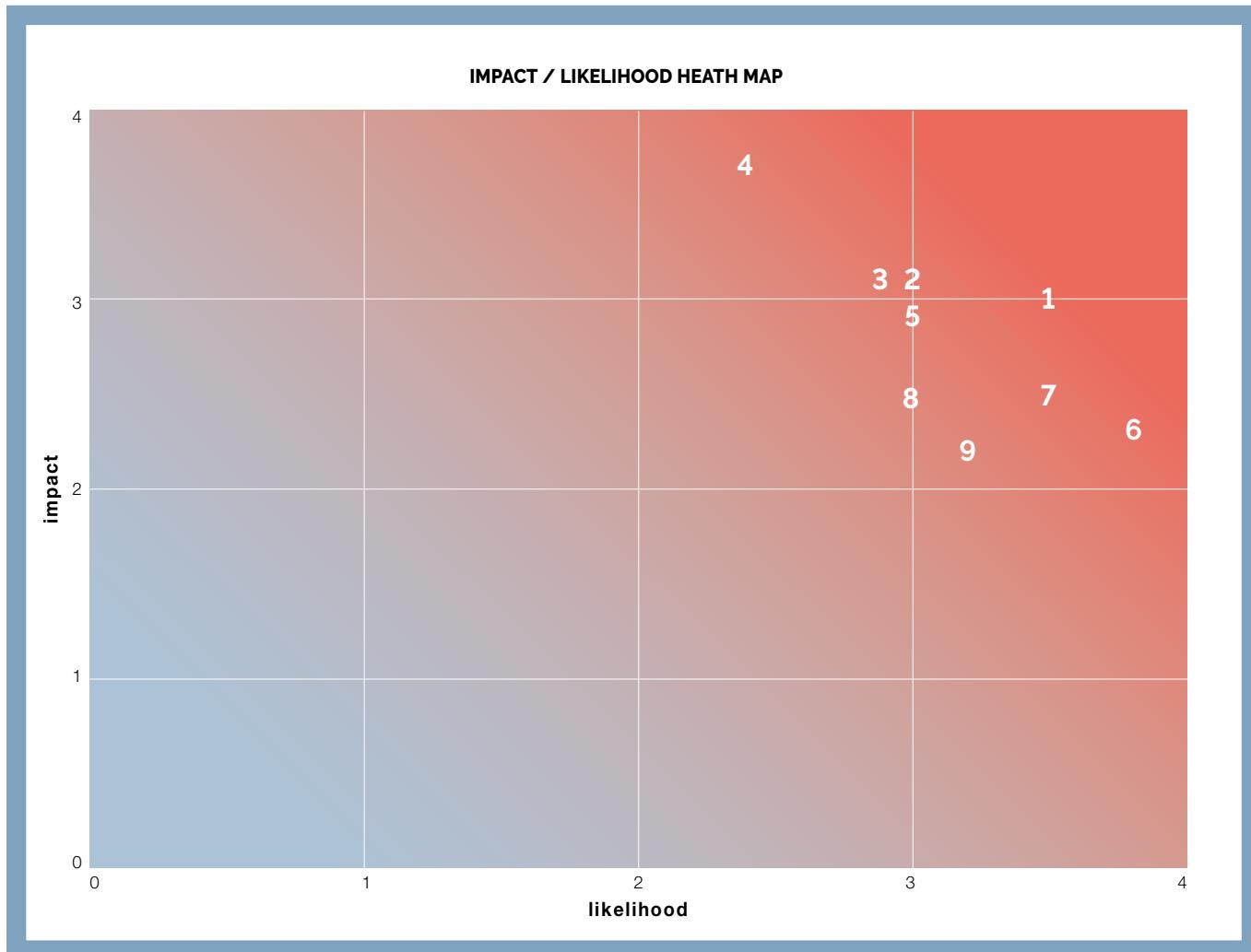
Aedifica is committed to managing these risks and uncertainties to the best of its ability by continuously monitoring their indicators. Moreover, Aedifica firmly believes that risk management should not only be discussed at Board level, but should also be integrated into the corporate culture of the Group to create an environment where all employees are aware of the Group's risks and to help better identify, monitor and mitigate them.

In 2022, a new risk management tool was introduced, allowing the evolution of risks to be monitored. This tool helps the Group to keep up to date with the latest macro-economic events and allows it to analyse their impact on the Group's ability to generate a solid and growing income stream.

Most material risks

Aedifica identifies its key risks by considering their impact on the Group's KPIs and their likelihood of occurrence (see impact/likelihood health map). During the 2022 risk assessment (which considers all identified risks as from 1 January 2022 until 31 December 2022), 31 risks were identified and monitored. Following an internal assessment, Aedifica decided to report the most material and relevant risks out of those 31 risks (see below). The assessment considered the likelihood and impact of each risk, taking into account any existing mitigation measures taken by Aedifica. The other risks were either not Group-specific or the risk assessment concluded that they were not to be considered as having a significant impact on the Group's strategy.

Ranking	Risk category	Risk name
1	Financial	Financing risk
2	Real estate portfolio	Rents and tenants
3	Market	Fair value of the real estate
4	Sustainability	Climate change
5	Market	Inflation
6	Financial	Debt structure
7	Financial	Exchange rate
8	Strategic	Reputational risk
9	Legal	Regulatory changes



It is acknowledged that other risk factors may exist, which are currently unknown, cannot be foreseen, and/or are, considering the information Aedifica possesses at the date of publication of this annual report, considered as remote or not significant for the Group,

its operations and/or its financial position. The following overview is therefore not exhaustive and was prepared on the basis of the information available at the date of publication of this annual report.

1. Financing risk

Risk category: Financial

Risk strategy: Accept/Avoid/Transfer/Mitigate

Risk description:	Why is this risk significant for Aedifica?	How does Aedifica mitigate this risk?	Which Key Risk Indicators help Aedifica to monitor this risk?
<p>As a RREC, Aedifica is largely dependent on its ability, and the terms against which it is able, to secure funds, whether through borrowings or shareholder's equity, to finance its activities and investments.</p> <p>Various negative scenarios, such as:</p> <ul style="list-style-type: none"> in general: <ul style="list-style-type: none"> disruptions in the international financial debt and equity capital markets; a reduction in banks' lending capacities and/or willingness; a deterioration in the Group's creditworthiness; and more specifically: <ul style="list-style-type: none"> an increase of interest rates; a negative investor perception towards real estate companies in general and/or the real estate segment the Group invests in particularly, <p>may occur, making it difficult or even impossible to secure new or renew (on favourable terms) debt and/or equity financing.</p> <p>A material increase in the Group's cost of capital will have an impact on the profitability of the Group as a whole and on new investments, while the unavailability of financing may ultimately lead to liquidity issues.</p>	<ul style="list-style-type: none"> The unavailability of financial resources (via cash flow or available credit facilities) to pay interest and operating costs, dividends and repay outstanding capital on loans at the relevant maturity date. Financing at an increased cost will lead to a decrease in profitability. An increase of 100 basis points in Euribor interest rates implies a negative effect on EPRA Earnings* of €4.1 million, corresponding to €0.10 per share (taking into account derivatives in place as at 31 December 2022). <p>On 31 December 2022:</p> <ul style="list-style-type: none"> approx. €423 million in long-term debt will mature within one year, €265 million in 2024 and €170 million in 2025; 66% of the Group's financial debt consists of floating-rate debt and 34% of fixed-rate debt. The unhedged part of the total financial debt equals 22%. <ul style="list-style-type: none"> An increased difficulty, or even inability, to finance identified new acquisitions or development projects: <ul style="list-style-type: none"> Rising interest rates may negatively affect the future growth of the Group and the profitability of new acquisitions and/or developments if the cost of new financing is too high compared to the yield offered by the future assets. As a result of market-wide negative investor sentiment, the Aedifica share price (€75.80) fell below the Net Asset Value per share (€82.37) at the end of the financial year, making it more difficult to (i) acquire properties by way of contributions in kind, (ii) raise equity capital, as well as (iii) maintain earnings per share (and therefore dividend per share) at a stable level. 	<ul style="list-style-type: none"> Aedifica performs a quarterly monitoring of the average cost of debt. As per 31 December 2022, the average cost of debt* including commitment fees amounts to 1.4% of the Group's total debt. Aedifica monitors hedge maturities to ensure that at least 60% of floating rate debt is hedged against interest rate fluctuations. Aedifica has secured sufficient credit lines to finance operating costs and committed investments. As of 31 December 2022, the total amount of undrawn and confirmed long-term credit facilities amounts to approx. €930 million. See page 85. Aedifica is developing an ever-expanding network of current and potential providers of financial resources. Aedifica has established an equity story which leads to a positive perception of the Group's access to capital markets. Aedifica has adopted a conservative and prudent financing strategy with a balanced spread of debt maturity dates. See page 84. Aedifica monitors its cash balances on a daily basis. 	<ul style="list-style-type: none"> Evolution of interest rates. Hedging ratio. Liquidity on committed credit lines Share price vs Net Asset Value (NAV) per share. Average cost of debt. Debt-to-assets ratio. Credit rating from external agencies.

2. Rents and tenants

Risk category: **Real estate portfolio**

Risk strategy: Accept/Avoid/Transfer/**Mitigate**

Risk description:	Why is this risk significant for Aedifica?	How does Aedifica mitigate this risk?	Which Key Risk Indicators help Aedifica to monitor this risk?
<p>The Group's total turnover consists of rental income from buildings leased to professional care operators. A gloomy economic climate or other factors can have a material impact on the rent payment capacity of Aedifica's tenants. For example, the energy crisis along with rising labour costs has led to a decrease in operators' profitability, has put pressure on operators' margins and, in turn, may have weakened their capacity to pay rent.</p> <p>In some cases, at the request of the tenant, the Group may decide to (temporarily) reduce the rent of certain assets in order to rebalance the tenants' rent levels in relation to their future income potential. Furthermore, when tenants leave on a due date or when the lease expires, new leases may yield lower rents than current leases. In worst case scenarios, a tenant may default and the rental income may be completely lost, which would be exacerbated if a new tenant cannot be found quickly and/or the new tenant asks for a rent reduction.</p> <p>This risk would have a negative impact on the Group's operating and net results, and hence on earnings per share and therefore on the Company's ability to pay dividends.</p>	<ul style="list-style-type: none">As per 31 December 2022:<ul style="list-style-type: none">outstanding trade receivables amount to €25.6 million;impairment provisions on outstanding trade receivables amount to €2 million.A decrease in rental income, as the case may be pursuant to renegotiations, will affect earnings per share. At 31 December 2022, a -1% decrease in rental income would reduce earnings per share by €0.07.The Group is not insured against tenant default.	<ul style="list-style-type: none">Aedifica performs a thorough analysis of the operator's business plan before investing in a new project.Aedifica monitors the tenant's financial performance.Aedifica has implemented procedures for billing and monitoring tenants with payment difficulties.Aedifica has secured rental guarantees (in the form of bank guarantees, rent deposits (type of credit insurance), parent guarantees or other types of security interest) with operators, in line with established market practice in each of the various jurisdictions in which the Group is active.	<ul style="list-style-type: none">Diversification/concentration in tenant base (Korian – the tenant with the largest share in Aedifica's rental income – represents 11% of the Group's rental income).Diversification in asset type within the healthcare real estate segment.Creditworthiness of the tenant.Evolution of tenant KPIs (EBITDARM, rent cover, occupancy rate, etc.).Deviation of rental income from budget.

3. Fair value of the real estate

Risk category: **Market**

Risk strategy: **Accept/Avoid/Transfer/Mitigate**

Risk description:	Why is this risk significant for Aedifica?	How does Aedifica mitigate this risk?	Which Key Risk Indicators help Aedifica to monitor this risk?
<p>The fair value of investment properties (accounted for in accordance with IAS 40, assessed by independent valuation experts on a quarterly basis) fluctuates over time and depends on various factors over which the Group does not always have complete control (such as decreasing demand, technical quality of the building incl. sustainability requirements, decreasing occupancy rates, decreasing rental income (see also risk factor 2, 'Rents and Tenants'), an increase in transfer tax charges, increasing interest rates (see also risk factor 1, 'Financing Risk'), etc.).</p> <p>A potential loss on marketable investment properties in the portfolio could have a negative impact on the net result and the Group's financial situation.</p>	<ul style="list-style-type: none"> As of 31 December 2022, a change of 1% in the fair value of marketable investment properties would have an impact of approx. €57 million on the Group's net result, approx. €1.4 on the net asset value per share and approx. 0.4% on the consolidated debt-to-assets ratio. Over the course of the 2022 financial year, the fair value of marketable investment properties increased by 2.2% on a like-for-like basis. 	<ul style="list-style-type: none"> The fair value of investment properties is assessed by independent valuation experts on a quarterly basis. The independent valuation experts are rotated in accordance with article 24, §2 of the RREC Act. Aedifica's triple and double net leases imply that tenants are responsible for the day-to-day management, maintenance and repair of the buildings. Nevertheless, to the extent possible, Aedifica performs yearly condition checks. These checks are based on the Dutch norm NEN 2767, which allows Aedifica to measure the physical and technical quality of its buildings objectively and uniformly. In the framework of the net zero carbon pathway, the Group is preparing a long-term capex strategy to improve the quality of its assets and reach net zero GhG emissions by 2050. 	<ul style="list-style-type: none"> Yield evolution. Interest rate evolution. Capex amount spent on existing asset. Age of the building. Energy performance of the building.

4. Climate change

Risk category: **Sustainability**

Risk strategy: Accept/Avoid/Transfer/**Mitigate**

Risk description:	Why is this risk significant for Aedifica?	How does Aedifica mitigate this risk?	Which Key Risk Indicators help Aedifica to monitor this risk?
<p>Climate change brings various challenges that impact the integrity and the way in which care homes need to be built to counter and withstand those challenges (extreme temperatures will require specific ventilation and temperature control measures, while increasing extreme natural events and weather conditions will necessitate the implementation of different building techniques). The foregoing in combination with increasingly strict regulations, the (future) imposition of CO₂ emission-related taxes on buildings if they do not meet certain thresholds, in addition to the general shift of the economy from fossil fuels towards a lower-carbon economy, may lead to a complete rethinking of the way buildings are designed, resulting in higher direct and indirect investment and operational costs, which in turn will negatively affect the profitability of new and existing assets and therefore of the Group.</p>	<ul style="list-style-type: none">Negative impact on rental income (see also risk factor 2. 'Rents and tenants')Negative impact on the fair value of assets (see also risk factor 3. 'Fair value of the real estate')Negative impact on occupancy rates (see also risk factor 2. 'Rents and tenants')Inability to lease or dispose of unsustainable assets	<ul style="list-style-type: none">With its net zero carbon pathway, Aedifica has established a roadmap to achieve net zero GhG emissions by 2050 (see page 52).Aedifica performs environmental due diligences for new assets/development projects.Aedifica monitors the energy performance of its portfolio. The breakdown of the energy performance of the Group's properties as at 31 December 2022 will be reported in the June 2023 Environmental Data Report.Aedifica's triple and double net leases imply that tenants are responsible for the day-to-day management, maintenance and repair of the buildings. Nevertheless, to the extent possible, Aedifica performs yearly condition checks. These checks are based on the Dutch norm NEN 2767, which allows Aedifica to measure the physical and technical quality of its buildings objectively and uniformly.Aedifica implemented a building assessment framework (see page 53). This assessment includes 42 risk items and is carried out at different stages of the building life cycle. It gives Aedifica insight into the potential physical risks due to climate change, which can be used to take measures to protect properties.The Group, with the help of an external partner, is conducting a risk analysis to better understand the physical and transit risks to its portfolio. The findings will be incorporated into the building assessment framework.Investing in a property portfolio spread across Europe is an effective way to mitigate the potential risks associated with extreme weather events. Geographical diversification allows investments to be spread across regions with different climates, reducing the impact of extreme weather events such as floods and droughts.	<ul style="list-style-type: none">Aedifica's ESG scores.Net energy use intensity of buildings.Age of buildings.Capex budget at property level.Energy performance of the building.Percentage of sustainable financing (see also risk factor 6. 'Debt structure').Geographical diversification.

5. Inflation

Risk category: **Market**

Risk strategy: **Accept/Avoid/Transfer/Mitigate**

Risk description:	Why is this risk significant for Aedifica?	How does Aedifica mitigate this risk?	Which Key Risk Indicators help Aedifica to monitor this risk?
<p>Inflation significantly increased in 2022 (compared to 2021) in all markets in which the Group is active.</p> <p>All of the Group's rents are subject to indexation (although the indexation mechanism differs between the countries in which the Group operates). Since the Group's WAULT stands at 19 years, the future like-for-like evolution of rental income and the valuation of these assets depend to a large extent on inflation. However, the indexation to be applied pursuant to the indexation clauses could (i) deviate from the actual inflation rate (e.g. due to the fact that the indexation clause provides for a cap at a level that is lower than the actual inflation at that time or, pursuant to negotiations with the operator) and/or (ii) be subject to a time-lag in its application compared to the time at which the actual inflation takes place (e.g. due to the fact that the indexation clause only provides for an indexation at certain set intervals).</p>	<ul style="list-style-type: none"> The market is very sensitive to Aedifica's ability to pass on inflationary increases in its rental income. Failure to translate the inflation rate into a rent increase would affect the future growth potential of rental income. The like-for-like evolution of rental income amounts to 4.2% as of 31 December 2022. High inflation and high(er) interest rates could lead to higher debt costs that are not fully offset by rent increases if (i) indexation clauses do not follow the same pace as the actual inflation and/or (ii) tenants are not able to pay the uplift (see risk factor 1. 'Financing risk' as well as risk factor 2. 'Rents and tenants'). 	<ul style="list-style-type: none"> All of Aedifica's leases are subject to some form of indexation. Aedifica is in close contact with its tenants to assess the impact of indexation on their profitability. 	<ul style="list-style-type: none"> Evolution of consumer price indices/health indices. Like-for-like reporting on evolution of rental income. Assessment of tenant KPIs. Follow-up on changes in national/regional social security policies.

6. Debt structure

Risk category: **Financial**

Risk strategy: Accept/Avoid/Transfer/**Mitigate**

Risk description:	Why is this risk significant for Aedifica?	How does Aedifica mitigate this risk?	Which Key Risk Indicators help Aedifica to monitor this risk?
<p>As a Belgian RREC, Aedifica is subject to strict regulatory financial covenants stemming from the RREC Regulation, as well as contractual financial covenants included in its financing agreements. Failure to comply with these can have far-reaching consequences, including:</p> <ul style="list-style-type: none"> sanctions, e.g., loss of RREC status and/or stricter supervision by the relevant regulator(s) if statutory financial parameters (e.g., 65% debt-to-assets ratio threshold) would be exceeded; a termination or renegotiation of credit facilities or mandatory early repayment of outstanding amounts, as well as impaired trust between the Group and investors and/or between the Group and financial institutions, in case of (imminent) non-compliance with contractual covenants (e.g., 60% debt-to-assets ratio threshold, negative pledge covenant, interest cover ratio covenant); a withdrawal or downgrade of the BBB investment-grade rating by S&P Global (e.g., long-term non-sustainability of the 50% debt-to-assets ratio threshold). <p>Additionally, some or all these defaults could allow creditors (i) to seek early repayment of such debts as well as other debts that are subject to cross default or cross acceleration provisions, (ii) to declare all loans outstanding due and payable and/or (iii) to cancel undrawn commitments.</p> <p>Ultimately, this would lead to reduced liquidity (see also risk factor 1. 'Financing risk') or might require a disposal of assets to reimburse outstanding loans.</p>	<p>Aedifica's consolidated debt-to-assets ratio amounts to 43.6% (31 December 2021: 42.6%). The table below sets out the Group's additional consolidated debt capacity assuming a debt-to-assets-ratio of 65% (maximum debt-to-assets ratio permitted for Belgian RRECs), 60% (maximum debt-to-assets ratio given Aedifica's existing bank commitments) and 50% (maximum debt-to-assets ratio based on Aedifica's financial policy). The additional consolidated debt capacity is expressed in constant assets (that is, excluding growth in the real estate portfolio), in variable assets (that is, taking into account growth in the real estate portfolio) and as the decrease in the fair value of investment properties that the current balance sheet structure can absorb.</p>	<ul style="list-style-type: none"> Aedifica monitors and publishes the debt-to-assets ratio on a quarterly basis and its evolution is projected during the approval process of each major investment decision. Aedifica monitors the evolution of the fair value of assets on a quarterly basis. Aedifica monitors its financial covenants. Aedifica diversifies its sources of financing (see Note 32 – Borrowings in the Consolidated Financial Statements). 	<ul style="list-style-type: none"> Debt-to-assets ratio. Evolution of the fair value of assets. Evolution of outstanding financial debt.

Additional consolidated debt capacity	Debt-to-assets ratio		
	50%	60%	65%
In constant assets (in € million)	380	976	1,274
In variable assets (in € million)	759	2,440	3,640
Decrease in fair value of investment properties (in %)	-13.5%	-28.9%	-34.8%

7. Exchange rate

Risk category: **Financial**

Risk strategy: Accept/Avoid/Transfer/**Mitigate**

Risk description:	Why is this risk significant for Aedifica?	How does Aedifica mitigate this risk?	Which Key Risk Indicators help Aedifica to monitor this risk?
<p>As at 31 December 2022, the Group earns part of its income and incurs part of its expenses in the United Kingdom (approx. 21.0%) and Sweden (approx. 1.4%) and is therefore exposed to an exchange rate risk (£/€ and SEK/€ respectively). Future fluctuations in the exchange rate may affect the value of the Group's investment properties, rental income and net result, all of which are expressed in euro.</p>	<ul style="list-style-type: none">As at 31 December 2022, a 10% change in the £/€ exchange rate has an impact of approx. €99.4 million on the fair value of the Group's investment properties located in the United Kingdom, approx. €5.7 million on the Group's annual rental income and approx. €2.8 million on the Group's net result.As at 31 December 2022, a 10% change in the SEK/€ exchange rate has an impact of approx. €7.9 million on the fair value of the Group's investment properties located in Sweden, approx. €0.4 million on the Group's annual rental income and approx. €0.2 million on the Group's net result.	<ul style="list-style-type: none">A natural hedge (balance sheet) relating to the £/€ exchange rate risk has been put in place as Aedifica has entered into financing in £ amounting to £340 million.	<ul style="list-style-type: none">Exchange rate fluctuation €/£.Exchange rate fluctuation €/SEK.Actual exchange rate fluctuation compared to the budget.

8. Reputational risk

Risk category: **Strategic**

Risk strategy: Accept/Avoid/Transfer/**Mitigate**

Risk description:	Why is this risk significant for Aedifica?	How does Aedifica mitigate this risk?	Which Key Risk Indicators help Aedifica to monitor this risk?
<p>Reputation and visibility are key issues for a BEL 20 listed group in full growth. As the Group grows and internationalises, the possibility and impact of the risk of reputational damage increases. Not only does the Group have to ensure its reputation and visibility in the various countries in which it operates, its reporting is also analysed more carefully by an ever-growing pool of investors and analysts. The treatment of residents by tenants, or the perception of healthcare providers in general, may also affect the Group's reputation. Should the Group's reputation suffer, this could affect its growth prospects and make access to capital more difficult (see also risk factor 1. 'Financing risk').</p>	<ul style="list-style-type: none">For the Group's investors, it is important that:<ul style="list-style-type: none">Aedifica has sound CSR scores to justify an investment in the Group or the granting of financing (see also risk factor 6. 'Debt structure');Aedifica is sufficiently transparent with regard to ESG (see also risk factor 4. 'Climate change').The scandal relating to Orpea can be linked to a decrease in Aedifica's share price around that period (from 24 January 2022 to 7 February 2022) of approx. 16%, even though only 5% of the Group's contractual rent at the time was derived from assets leased by Orpea (BE: 2.5%; DE: 1.1%; NL: 1.1%).	<ul style="list-style-type: none">The Group transparently communicates its financial and sustainability performance in line with industry standards (e.g., EPRA and GRI).As high-quality treatment and comfort of residents are of utmost importance to the Group, (i) all public reports from local healthcare authorities are monitored, (ii) if not publicly available the Group requests to receive such reports from its operators, and (iii) the Group requests its operators to comply with a certain level of quality-of-care standards (see page 59).	<ul style="list-style-type: none">Monitoring of publicly available care quality ratings.GRESB score.EPRA (s)BPR score.Sustainalitics Risk Rating.

9. Regulatory changes

Risk category: **Legal**

Risk strategy: **Accept/Avoid/Transfer/Mitigate**

Risk description:	Why is this risk significant for Aedifica?	How does Aedifica mitigate this risk?	Which Key Risk Indicators help Aedifica to monitor this risk?
<p>New regulations or changes in existing regulations (at European, national or local level) impacting the Group's activities, the Group's taxation, the (financing of the) activities of the tenants, and/or a change in the application or interpretation of such regulations by the administration (including the tax authorities) or the courts, can increase the Group's (administrative) costs and liabilities, and may have a major impact on the return, the fair value of the investment properties (see also risk factor 3. 'Fair value of the real estate') and on tenants and their ability to pay rent (see also risk factor 2. 'Rents and tenants').</p>	<ul style="list-style-type: none"> Often, an important part of the revenues of care operators are derived from subsidies (direct or indirect) granted by local social security systems. A reform of these financing systems in any of the regions in which the Group operates (e.g. as a result of the pressure exerted by the COVID-19 pandemic on social security systems, increasing inflation, etc.), could potentially have an impact on the solvency of care operators, creating the risk that they would not be able to meet their contractual obligations to the Group (see risk factor 2. 'Rents and tenants'). A reduced withholding tax rate of 15% (instead of the 30% standard rate) applies to dividends distributed by RRECs that invest at least 80% of their real estate directly or indirectly in 'healthcare real estate' (Article 269, §1, 3° of the Belgian Income Tax Code '92) located in a member state of the European Economic Area. If Aedifica's real estate portfolio as at 31 December 2022 remains unchanged, Aedifica's shareholders will lose the favourable withholding tax rate of 15% on dividends received from Aedifica as of 1 January 2026 (i.e., the date on which the transitional regime that was instituted following Brexit, and which provides for the inclusion of Aedifica's UK portfolio in the 80% threshold, ends), which will as of then be subject to the standard withholding tax rate of 30%. The 30% withholding tax may affect Aedifica's ability to raise new equity as the net dividend received by investors would be lower than under a 15% withholding tax. 	<ul style="list-style-type: none"> By monitoring the country/region-specific regulatory frameworks as much as possible. By diversifying the Group's assets, which are located in different countries and regions (see page 38). By limiting the concentration of operators in the Group's portfolio (see page 40). 	<ul style="list-style-type: none"> Geographical diversification. Diversification per tenant.

Financial statements



Seniorenhaus Lessingstrasse
- Wurzen (DE)

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1. Consolidated Financial Statements

1.1 Consolidated Income Statement

(x €1,000)	Notes	31/12/2022	31/12/2021
I. Rental income	4	273,132	232,118
II. Writeback of lease payments sold and discounted		0	0
III. Rental-related charges	4	-1,589	-686
Net rental income		271,543	231,432
IV. Recovery of property charges	5	0	0
V. Recovery of rental charges and taxes normally paid by tenants on let properties	5	3,934	4,244
VI. Costs payable by the tenant and borne by the landlord on rental damage and repair at end of lease	5	0	0
VII. Charges and taxes not recovered by the tenant on let properties	5	-3,979	-4,128
VIII. Other rental-related income and charges	5	355	-1,013
Property result		271,853	230,535
IX. Technical costs	6	-3,373	-1,432
X. Commercial costs	6	-29	-61
XI. Charges and taxes on unlet properties	6	-53	-2
XII. Property management costs	6	-4,655	-5,433
XIII. Other property charges	6	-1,110	-667
Property charges		-9,220	-7,595
Property operating result		262,633	222,940
XIV. Overheads	7	-33,556	-30,930
XV. Other operating income and charges	8	597	1,317
Operating result before result on portfolio		229,674	193,327
XVI. Gains and losses on disposals of investment properties	9	787	534
XVII. Gains and losses on disposals of other non-financial assets	10	0	0
XVIII. Changes in fair value of investment properties	11	84,877	160,211
XIX. Other result on portfolio	12	-18,103	-3,540
Operating result		297,235	350,532
XX. Financial income	13	1,606	843
XXI. Net interest charges	14	-30,651	-27,548
XXII. Other financial charges	15	-7,194	-5,457
XXIII. Changes in fair value of financial assets and liabilities	16	123,242	14,813
Net finance costs		87,003	-17,349
XXIV. Share in the profit or loss of associates and joint ventures accounted for using the equity method	17	2,168	6,371
Profit before tax (loss)		386,406	339,554
XXV. Corporate tax and deferred taxes	18	-54,345	-56,473
XXVI. Exit tax	18	-330	-256
Tax expense		-54,675	-56,729
Profit (loss)		331,731	282,825
Attributable to:			
Non-controlling interests		-47	1,001
Owners of the parent		331,778	281,824
Basic earnings per share (€)	19	8.71	8.10
Diluted earnings per share (€)	19	8.71	8.10

1.2 Consolidated Statement of Comprehensive Income

(x €1,000)	31/12/2022	31/12/2021
I. Profit (loss)	331,731	282,825
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 ¹	17,972	4,273
D. Currency translation differences linked to conversion of foreign activities ²	-38,498	39,626
H. Other comprehensive income, net of taxes ³	5,369	3,305
Comprehensive income	316,574	330,029
Attributable to:		
Non-controlling interests	-47	1,001
Owners of the parent	316,621	329,028

1. Corresponds to 'Changes in the effective portion of the fair value of hedging instruments (accrued interests)' as detailed in Note 33.
2. Corresponds to the movement of the year of the reserve 'g. Foreign currency translation reserves'.
3. Mainly includes the transfer to the income statement of interests paid on hedging instruments and the amortisation of terminated derivatives (see Note 33).

1.3 Consolidated Balance Sheet

ASSETS (x €1,000)	Notes	31/12/2022	31/12/2021
I. Non-current assets			
A. Goodwill	20	143,669	161,726
B. Intangible assets	21	1,857	1,934
C. Investment properties	22	5,619,701	4,861,062
D. Other tangible assets	23	2,573	2,369
E. Non-current financial assets	24 & 33	132,322	7,479
F. Finance lease receivables		0	0
G. Trade receivables and other non-current assets		0	0
H. Deferred tax assets	25	4,662	3,116
I. Equity-accounted investments	17	40,824	40,522
Total non-current assets		5,945,608	5,078,208
II. Current assets			
A. Assets classified as held for sale	22	84,033	35,360
B. Current financial assets		0	0
C. Finance lease receivables		0	0
D. Trade receivables	26	23,577	20,434
E. Tax receivables and other current assets	27	10,273	7,368
F. Cash and cash equivalents	28	13,891	15,335
G. Deferred charges and accrued income	29	8,158	5,162
Total current assets		139,932	83,659
TOTAL ASSETS		6,085,540	5,161,867

Notes	31/12/2022	31/12/2021
EQUITY AND LIABILITIES (x €1,000)		
EQUITY	30	
I. Issued capital and reserves attributable to owners of the parent		
A. Capital	1,006,881	917,101
B. Share premium account	1,516,108	1,301,002
C. Reserves	428,018	281,244
a. Legal reserve	0	0
b. Reserve for the balance of changes in fair value of investment properties	389,859	224,214
d. Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS	8,945	-12,784
e. Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting as defined under IFRS	-11,193	-26,872
f. Reserve of exchange differences relating to foreign currency monetary items	-451	72
g. Foreign currency translation reserves	-13,629	24,869
h. Reserve for treasury shares	-31	0
j. Reserve for actuarial gains and losses of defined benefit pension plans	-99	0
k. Reserve for deferred taxes on investment properties located abroad	-71,715	-24,696
m. Other reserves	250	3,015
n. Result brought forward from previous years	117,023	87,532
o. Reserve- share NI & OCI of equity method invest	9,059	5,894
D. Profit (loss) of the year	331,778	281,824
Equity attributable to owners of the parent	3,282,785	2,781,171
II. Non-controlling interests		6,564
TOTAL EQUITY		3,289,349
		2,785,397
LIABILITIES		
I. Non-current liabilities		
A. Provisions	31	0
B. Non-current financial debts	32	2,017,256
a. Borrowings		1,240,399
c. Other		776,857
C. Other non-current financial liabilities	24	82,232
a. Authorised hedges	33	3,858
b. Other		78,374
D. Trade debts and other non-current debts		375
E. Other non-current liabilities		0
F. Deferred tax liabilities	25	164,117
Non-current liabilities		2,263,980
		1,974,616
II. Current liabilities		
A. Provisions	31	0
B. Current financial debts	32	435,164
a. Borrowings		172,164
c. Other		263,000
C. Other current financial liabilities	24	3,487
D. Trade debts and other current debts	34	66,853
a. Exit tax		5,990
b. Other		60,863
E. Other current liabilities		0
F. Accrued charges and deferred income	35	26,707
Total current liabilities		532,211
		401,854
TOTAL LIABILITIES		2,796,191
		2,376,470
TOTAL EQUITY AND LIABILITIES		6,085,540
		5,161,867

1.4 Consolidated Cash Flow Statement

(x €1,000)	Notes	31/12/2022	31/12/2021
CASH FLOW FROM OPERATING ACTIVITIES			
Profit (loss)		331,778	281,824
Adjustments for non-monetary items		-154,231	-130,494
Tax expense ¹		45,107	41,169
Amortisation, depreciation and write-downs ²		3,486	2,344
Change in fair value of investment properties (+/-)		-84,877	-160,211
Changes in fair value of the derivatives		-123,243	-14,813
Goodwill impairment		18,103	3,540
Other adjustment for non-monetary items ³		-12,807	-2,523
Gains and losses on disposals of investment properties		-787	-533
Net finance costs		36,239	32,162
Changes in working capital requirements		-6,291	22,204
Changes in net assets resulting from foreign exchange differences linked to the conversion of foreign operations (+/-)		11,889	-6,891
Net cash from operating activities		218,597	198,272
CASH FLOW RESULTING FROM INVESTING ACTIVITIES			
Purchase of real estate companies ³ ⁴		-151,855	-136,458
Purchase of marketable investment properties and development projects ⁵		-249,153	-442,004
Purchase of intangible and other tangible assets ⁶		-863	-723
Development costs ⁷		-308,947	-295,235
Disposals of investment properties		35,716	53,668
Net changes in non-current receivables		-8,304	-175
Net cash from investing activities		-683,406	-820,927
CASH FLOW FROM FINANCING ACTIVITIES			
Capital increase, net of costs ⁸		251,422	281,156
Dividend for previous fiscal year and interim dividend		-119,077	-47,748
Net changes in borrowings		370,793	417,860
Net changes in other non-current financial liabilities		-179	782
Net financial items received (+) / paid (-)		-39,594	-37,606
Net cash from financing activities		463,365	614,444
TOTAL CASH FLOW FOR THE PERIOD			
Total cash flow for the period		-1,444	-8,211
RECONCILIATION WITH BALANCE SHEET			
Cash and cash equivalents at beginning of period		15,335	23,546
Total cash flow for the period		-1,444	-8,211
Cash and cash equivalents at end of period	28	13,891	15,335

1. The lines 'Tax expense' and 'Taxes paid' have been merged to only show the non-monetary tax impact.
2. The lines 'Amortisation and depreciation' and 'Write-downs' have been merged.
3. The line 'Purchase of real estate companies' was included in 'Purchase of real estate companies and marketable investment properties' last year, but is now presented separately and merged with the line 'Goodwill'.
4. This amount includes €164,463k for assets acquired through companies acquired in cash (see Note 22). This line also includes the working capital of those acquired real estate companies, reducing the cash flow on this line to €151,855k.
5. The lines 'Purchase of marketable investment properties' and 'Purchase of development projects' have been merged (see Note 22).
6. The lines 'Purchase of intangible assets' and 'Purchase of tangible assets' have been merged.
7. Development costs for existing investment properties and development projects were included in 'Purchase of development projects' last year.
8. Some types of capital increases (contributions in kind, partial demergers) do not result in any cash flow.
9. All other lines presented last year under 'Cash flow from operating activities', which are no longer included in this year's cash flow statement and are not mentioned in the footnotes above, have been combined in the line 'Other adjustments for non-monetary items'.

1.5 Consolidated Statement of Changes in Equity

(x € 1,000)	1/01/2021	Capital increase in cash ¹	Capital increase in kind ¹	Acquisitions / disposals of treasury shares	Consolidated comprehensive income ²	Appropriation of the previous year's result	Other transfer relating to asset disposals ³	Transfers between reserves	Other and roundings	31/12/2021
Capital	836,401	69,603	11,098	0	0	0	0	0	-1	917,101
Share premium account	1,054,109	211,714	35,179	0	0	0	0	0	0	1,301,002
Reserves	106,732	0	0	0	47,204	125,887	0	0	1,421	281,244
a. Legal reserve	0	0	0	0	0	0	0	0	0	0
b. Reserve for the balance of changes in fair value of investment properties	202,739	0	0	0	0	-5,934	-3,015	30,424	0	224,214
d. Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS	-23,233	0	0	0	10,452	-3	0	0	0	-12,784
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	0	0	0	0	-970	0	0	-1	-26,872
f. Reserve of exchange differences relating to foreign currency monetary items	0	0	0	0	0	72	0	0	0	72
g. Foreign currency translation reserves	-14,757	0	0	0	39,626	0	0	0	1	24,869
h. Reserve for treasury shares	0	0	0	0	0	0	0	0	0	0
j. Reserve for actuarial gains and losses of defined benefit pension plans	0	0	0	0	0	0	0	0	0	0
k. Reserve for deferred taxes on investment properties located abroad	-9,463	0	0	0	0	-15,233	0	0	0	-24,696
m. Other reserves	-1,806	0	0	0	0	1,805	3,015	0	1	3,015
n. Result brought forward from previous years	-25,240	0	0	0	-2,874	144,651	0	-30,424	1,420	87,532
o. Reserve- share NI & OCI of equity method invest	4,395	0	0	0	0	1,499	0	0	0	5,894
Profit (loss)	173,068	0	0	0	281,824	-173,068	0	0	0	281,824
Equity attributable to owners of the parent	2,170,311	281,317	46,277	0	329,028	-47,181	0	0	1,420	2,781,171
Non-controlling interests	2,625	0	0	0	1,001	0	0	0	600	4,226
TOTAL EQUITY	2,172,936	281,317	46,277	0	330,029	-47,181	0	0	2,020	2,785,397

1. For more details, see Note 30 and section 1.2.4 'Equity' of the 'Financial Review' chapter of this Annual Financial Report.
2. For more details, see the comprehensive income table on page 143.
3. This column shows the reserve made available through the sale of assets, detailed in section 1.1.1 'Investments, completions and disposals in 2022' of the 'Financial Review' chapter of this Annual Financial Report.

(x €1,000)	1/01/2022	Capital increase in cash ¹	Capital increase in kind ¹	Acquisitions / disposals of treasury shares	Consolidated comprehensive income ²	Appropriation of the previous year's result	Other transfer relating to asset disposals ⁴	Transfers between reserves	Other and roundings	31/12/2022
Capital	917,101	74,131	15,649	0	0	0	0	0	0	1,006,881
Share premium account	1,301,002	177,291	37,816	0	0	0	0	0	-1	1,516,108
Reserves	281,244	0	0	-31	-15,157	163,329	0	0	-1,367	428,018
a. Legal reserve	0	0	0	0	0	0	0	0	0	0
b. Reserve for the balance of changes in fair value of investment properties	224,214	0	0	0	0	165,943	-251	-48	1	389,859
d. Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS	-12,784	0	0	0	21,760	-31	0	0	0	8,945
e. Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting as defined under IFRS	-26,872	0	0	0	0	15,679	0	0	0	-11,193
f. Reserve of exchange differences relating to foreign currency monetary items	72	0	0	0	0	-523	0	0	0	-451
g. Foreign currency translation reserves	24,869	0	0	0	-38,498	0	0	0	0	-13,629
h. Reserve for treasury shares	0	0	0	-31	0	0	0	0	0	-31
j. Reserve for actuarial gains and losses of defined benefit pension plans	0	0	0	0	-99	0	0	0	0	-99
k. Reserve for deferred taxes on investment properties located abroad	-24,696	0	0	0	0	-47,019	0	0	0	-71,715
m. Other reserves	3,015	0	0	0	0	-3,015	251	0	-1	250
n. Result brought forward from previous years	87,532	0	0	0	1,680	29,130	0	48	-1,367	117,023
o. Reserve- share NI & OCI of equity method invest	5,894	0	0	0	0	3,165	0	0	0	9,059
Profit (loss)	281,824	0	0	0	331,778	-281,824	0	0	0	331,778
Equity attributable to owners of the parent	2,781,171	251,422	53,465	-31	316,621	-118,495³	0	0	-1,368	3,282,785
Non-controlling interests	4,226	0	0	0	-47	0	0	0	2,385	6,564
TOTAL EQUITY	2,785,397	251,422	53,465	-31	316,574	-118,495	0	0	1,017	3,289,349

1. For more details, see Note 30 and section 1.2.4 'Equity' of the 'Financial Review' chapter of this Annual Financial Report.
2. For more details, see the comprehensive income table on page 143.
3. For more details on the pay-out of the 2021 dividend, see the corrected profit table on page 204 of this Annual Financial Report.
4. This column shows the reserve made available through the sale of assets, detailed in section 1.1.1 'Investments, completions and disposals in 2022' of the 'Financial Review' chapter of this Annual Financial Report.

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

Publication of the Consolidated Financial Statements was approved by the Board of Directors on 15 February 2023. Aedifica's shareholders have the opportunity to amend the Consolidated Financial Statements after publication at the Annual General Meeting, which will take place on 9 May 2023.

Note 2: Accounting policies

Note 2.1: Basis of preparation

The Consolidated Financial Statements cover the 12-month period from 1 January 2022 to 31 December 2022. They have been prepared in accordance with the International Financial Reporting Standards ('IFRS') as adopted by the European Union 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 31 December 2021. 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 euros.

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 goodwill impairment tests and determination of fair value of investment properties). 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 January 2022, but had no significant impact on the current Consolidated Financial Statements:

- 'Annual Improvements to IFRS Standards 2018-2020' (applicable as from 1 January 2022);
- new amendment to IFRS 3 'Business Combinations' (applicable as from 1 January 2022);
- new amendment to IFRS 16 'Leases: COVID-19-related rent concessions' (applicable as from 1 January 2022);
- amendment to IAS 16 'Property, plant and equipment' (applicable as from 1 January 2022);
- amendment to IAS 37 'Provisions, contingent liabilities and contingent assets' (applicable as from 1 January 2022).

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 2023. These amendments, which the Group did not apply early, are as follows (situation as at 31 January 2023):

- 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 as from 1 January 2023);
- amendment to IAS 1 'Presentation of Financial Statements: Classification of Liabilities as Current or Non-current' (applicable as from 1 January 2024, subject to EU approval);
- amendment to IAS 1 'Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies' (applicable as from 1 January 2023);
- amendment to IAS 8 'Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates' (applicable as from 1 January 2023);

- amendment to IAS 12 'Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction' (applicable as from 1 January 2023);
- amendments to IFRS 17 'Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information' (applicable as from 1 January 2023);
- amendments to IFRS 16 'Lease Liability in a Sale and Leaseback' (applicable as from 1 January 2024, 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

An associate is an entity over which the Group has significant influence and which is neither a subsidiary, nor an interest in a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but does not imply control or joint control over those policies.

A joint venture is a joint arrangement in which the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions on relevant activities require the unanimous consent of the parties sharing control.

Under the equity method, the investment in an associate or joint venture is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of the investee's profit or loss is recognised in the investor's profit or loss.

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 (Aedifica has only one such partnership, namely AKJV in the Netherlands).

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 recognised in the Group income statement when the operation is sold.

The principal exchange rates used to translate foreign currency denominated amounts in book year 2022 are:

- balance sheet: 1 € = 0.88617 £
- income statement: 1 € = 0.85271 £
- balance sheet: 1 € = 11.17069 SEK
- income statement: 1 € = 10.63390 SEK

I.A. Goodwill

Business combinations are recognised 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 recognised as goodwill (an asset). In the event that this value is negative, it is recognised 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 Investment value

'Investment value' is defined as the value assessed by a valuation expert, from which transfer costs have not been deducted (also known as 'gross capital value').

1.3 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.

1.4 Treatment of differences at the time of acquisition

If, for acquisitions such as those defined in section I.C.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%.

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.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 IFRS 9, 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 the income statement. Receivables are valued at amortised cost.

I.H. Deferred tax assets

When a building is acquired outside of Belgium, the Deferred Tax Assets mainly relate to unrealised losses on the difference between the fair value and the tax value of the buildings, whereby we expect that the effective tax loss (in case of a sale) can be offset with the taxable income of the entity concerned in the foreseeable future.

I.I. 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. Under the equity method, the investment in an associate or joint venture is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of the investee's profit or loss is recognised in the investor's profit or loss.

They relate to Immobel NV/SA, MMCG 2 DEVCO 2 Limited, MMCG 2 DEVCO 3 Limited and Aedifica Sonneborgh Ontwikkeling BV (associates).

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 according to (i) the management assumption on outstanding receivables of more than 120 days and (ii) by applying 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 recognised 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, buildings used by the Group as offices and the rights of use for concession or leasehold purposes – or similar leases. 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 recognised 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

Indemnities for early lease termination are recognised in the income statement when it is highly probable that Aedifica will collect the indemnities. To evaluate whether the fees will be collectible, Aedifica will only consider the customer's ability and intention to pay that amount when due.

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 with Aedifica being the lessor for the following reasons:

- there is no transfer of ownership of the underlying asset at the end of the lease term;
- the lessee does not have the option to purchase the underlying asset at a price that is significantly lower than the fair value;
- the lease term is usually shorter than the asset's main economic life.

Lease incentives are recognised on a straight-line basis over the lease term, in accordance with IFRS 16.

XVI. to XIX. Operating result

The objective of lines XVI through XIX 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.

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 recognised at the company level, taking into account the anticipated date of the merger or approval. Any adjustment to this exit tax liability is recognised in the income statement. This tax will be paid when the company is merged into the parent company with RREC status.

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

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 of IFRS 2, amounts related to the equity incentive plan are recognised in equity against the income statement 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.

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 52 properties (in the segments 'Belgium', 'Netherlands' and 'Germany') rented out to legal entities controlled by the Korian group, for which rents represent 11% of the Company's total 2022 rental income (12% in the prior financial year).

Rents mentioned here represent the turnover realised by the Company over the course of the financial year, accounted for in accordance with IFRS standards. This differs from the contractual rent, which reflects the yearly rent as mentioned in the contract and does not take into consideration the straight-lining of lease incentives.

Note 3.2: Segment information

	31/12/2022										TOTAL
	BE	DE	NL	UK	FI	SE	IE	ES	Non-allocated		
SEGMENT RESULT											
I. Rental income	67,432	56,738	33,571	57,472	44,725	3,917	9,245	32	-	273,132	
II. Writeback of lease payments sold and discounted	-	-	-	-	-	-	-	-	-	-	-
III. Rental-related charges	-352	-369	-687	-148	-30	-3	-	-	-	-1,589	
Net rental income	67,080	56,369	32,884	57,324	44,695	3,914	9,245	32	-	271,543	
IV. Recovery of property charges	-	-	-	-	-	-	-	-	-	-	-
V. Recovery of rental charges and taxes normally paid by tenants on let properties	229	2,397	679	420	-	27	182	-	-	3,934	
VI. Costs payable by the tenant and borne by the landlord on rental damage and repair at end of lease	-	-	-	-	-	-	-	-	-	-	-
VII. Charges and taxes not recovered by the tenant on let properties	-250	-2,425	-675	-420	-	-27	-182	-	-	-3,979	
VIII. Other rental-related income and charges	33	-46	40	-6	485	-151	-	-	-	355	
Property result	67,092	56,295	32,928	57,318	45,180	3,763	9,245	32	-	271,853	
IX. Technical costs	-97	-184	-855	-159	-1,673	-328	-77	-	-	-3,373	
X. Commercial costs	-	-	-29	-	-	-	-	-	-	-29	
XI. Charges and taxes on unlet properties	-4	-1	-	-8	-40	-	-	-	-	-53	
XII. Property management costs	-543	-1,367	-893	-1,791	-	-	-61	-	-	-4,655	
XIII. Other property charges	-	2	-268	-1	-843	-	-	-	-	-1,110	
Property charges	-644	-1,550	-2,045	-1,959	-2,556	-328	-138	-	-	-9,220	
Property operating result	66,448	54,745	30,883	55,359	42,624	3,435	9,107	32	-	262,633	
XIV. Overheads	-	-	-	-	-	-	-	-	-	-33,556	-33,556
XV. Other operating income and charges	-	-	-	-	-	-	-	-	-	597	597
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	66,448	54,745	30,883	55,359	42,624	3,435	9,107	32	-32,959	229,674	
SEGMENT ASSETS											
Marketable investment properties	1,287,193	1,159,206	640,102	926,264	984,800	76,880	289,126	1,500	-	5,365,071	
Development projects	3,548	34,631	14,838	34,347	31,777	2,130	59,544	3,480	-	184,295	
Right of use of plots of land	-	3,241	-	-	67,094	-	-	-	-	70,335	
Investment properties											5,619,701
Assets classified as held for sale	12,197	38,360	-	33,476	-	-	-	-	-	84,033	
Other assets ¹	40,390	-	493	-59	143,669	-	-	-	-	197,313	381,806
Total assets											6,085,540
Equity											
Equity attributable to owners of the parent	-	-	-	-	-	-	-	-	-	3,282,785	3,282,785
Non-controlling interests	-	-	-	-	-	-	-	-	-	6,564	6,564
Liabilities	-	-	-	-	-	-	-	-	-	2,796,191	2,796,191
Total equity and liabilities											6,085,540
GROSS YIELD IN FAIR VALUE²	5.5%	5.1%	5.6%	6.4%	5.3%	5.0%	5.3%	5.0%	-	5.5%	

1. The figures in Belgium, the Netherlands and the United Kingdom relate to investments accounted for using the equity method (see Note 17 for more details) and the figure in Finland relates to goodwill (see Note 20 for more details). The 'Non-allocated' section includes all other lines of the assets.
2. The gross yield in fair value is calculated by dividing the contractual rent by the fair value of marketable investment properties and assets classified as held for sale.

	31/12/2021									TOTAL
	BE	DE	NL	UK	FI	SE	IE	ES	Non-allocated	
SEGMENT RESULT										
I. Rental income	62,548	44,971	30,429	49,911	39,797	1,958	2,504	-	-	232,118
II. Writeback of lease payments sold and discounted	-	-	-	-	-	-	-	-	-	-
III. Rental-related charges	-	-2	-695	-75	86	-	-	-	-	-686
Net rental income	62,548	44,969	29,734	49,836	39,883	1,958	2,504	-	-	231,432
IV. Recovery of property charges	-	-	-	-	-	-	-	-	-	-
V. Recovery of rental charges and taxes normally paid by tenants on let properties	118	1,842	687	354	1,118	-	125	-	-	4,244
VI. Costs payable by the tenant and borne by the landlord on rental damage and repair at end of lease	-	-	-	-	-	-	-	-	-	-
VII. Charges and taxes not recovered by the tenant on let properties	-93	-1,794	-644	-354	-1,118	-	-125	-	-	-4,128
VIII. Other rental-related income and charges	-11	-151	-635	101	-270	-47	-	-	-	-1,013
Property result	62,562	44,866	29,142	49,937	39,613	1,911	2,504	-	-	230,535
IX. Technical costs	-97	-148	-242	-5	-833	-93	-14	-	-	-1,432
X. Commercial costs	-	-	-45	-	-16	-	-	-	-	-61
XI. Charges and taxes on unlet properties	-2	-	-	-	-	-	-	-	-	-2
XII. Property management costs ¹	-518	-1,212	-659	-3,044	-	-	-	-	-	-5,433
XIII. Other property charges	-	193	-87	-	-773	-	-	-	-	-667
Property charges	-617	-1,167	-1,033	-3,049	-1,622	-93	-14	-	-	-7,595
Property operating result	61,945	43,699	28,109	46,888	37,991	1,818	2,490	-	-	222,940
XIV. Overheads	-	-	-	-	-	-	-	-	-30,930	-30,930
XV. Other operating income and charges	-	-	-	-	-	-	-	-	1,317	1,317
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	61,945	43,699	28,109	46,888	37,991	1,818	2,490	-	-29,613	193,327
SEGMENT ASSETS										
Marketable investment properties	1,213,217	1,057,513	564,105	815,006	831,150	78,329	91,841	-	-	4,651,161
Development projects	5,473	44,923	23,270	10,051	50,802	1,021	13,914	2,500	-	151,954
Right of use of plots of land	-	-	-	-	57,947	-	-	-	-	57,947
Investment properties										4,861,062
Assets classified as held for sale	-	-	-	6,660	28,700	-	-	-	-	35,360
Other assets ²	40,522	-	-	-	161,726	-	-	-	63,197	265,445
Total assets										5,161,867
Equity										
Equity attributable to owners of the parent	-	-	-	-	-	-	-	-	2,781,171	2,781,171
Non-controlling interests	-	-	-	-	-	-	-	-	4,226	4,226
Liabilities	-	-	-	-	-	-	-	-	2,376,470	2,376,470
Total equity and liabilities										5,161,867
GROSS YIELD IN FAIR VALUE³	5.3%	5.2%	5.5%	6.4%	5.4%	5.0%	5.3%	-	-	5.5%

1. Property management costs in the UK were higher than in other countries as the portfolio was managed by an external party (which was internalised at the end of 2021).
2. The figures in Belgium relate to investments accounted for using the equity method (see Note 17 for more details) and the figure in Finland relates to goodwill (see Note 20 for more details). The 'Non-allocated' section includes all other lines of the assets.
3. The gross yield in fair value is calculated by dividing the contractual rent by the fair value of marketable investment properties and assets classified as held for sale.

Note 4: Net rental income

(x €1,000)	31/12/2022	31/12/2021
Rents earned	273,104	230,915
Guaranteed income	0	0
Cost of rent free periods	0	0
Indemnities for early termination of rental contracts	28	1,203
RENTAL INCOME	273,132	232,118
Rents payable as lessee	-2	-1
Write-downs on trade receivables	-1,587	-685
RENTAL-RELATED CHARGES	-1,589	-686
NET RENTAL INCOME	271,543	231,432

The Group rents its buildings under operating leases.

Even though lease terms are generally long, the criteria for classifying leases as finance leases are not met for the following reasons:

- there is no transfer of ownership of the underlying asset at the end of the lease term;
- the lessee does not have the option to purchase the underlying asset at a price that is significantly lower than the fair value;
- the lease term is usually shorter than the asset's main economic life.

For these three reasons, the Group's leases are classified as operating leases. From these operating leases, more than 99% are income related to fixed lease payments.

The increase in rents earned compared to the previous period is related to the growth of the portfolio during the 2022 financial year and annual indexation.

The schedule of future minimum lease payments to be collected under non-cancellable operating leases required by IFRS 16.97 is based on the following assumptions, which are conservative:

- Long-term leases: no inflation.
- Rents in foreign currencies in the United-Kingdom and Sweden are converted at the 2022 average exchange rate of 0.85271 €/£ and 10.63390 €/SEK, respectively.

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

(x €1,000)	31/12/2022	31/12/2021
Not later than one year	303,079	258,500
Between one and two years	302,301	257,893
Between two and three years	301,602	257,764
Between three and four years	301,442	257,446
Between four and five years	301,442	257,310
Later than five years	4,505,080	3,923,979
TOTAL	6,014,946	5,212,891

Rental income includes contingent rents amounting to €366 k (31 December 2021: €1,082 k).

In 2021, the main write-downs for doubtful debts (€0.7 million) related to the Netherlands.

In 2022, a total of €1.6 million has been recognised as write-downs on rental income. This is explained by the difficult economic environment operators had to face with increasing energy and labor costs.

Note 5: Property result

(x €1,000)	31/12/2022	31/12/2021
NET RENTAL INCOME	271,543	231,432
Indemnities on rental damage	0	0
RECOVERY OF PROPERTY CHARGES	0	0
Rebilling of rental charges invoiced to the landlord	566	1,798
Rebilling of property taxes and other taxes on let properties	3,368	2,446
RECOVERY OF RENTAL CHARGES AND TAXES NORMALLY PAID BY TENANTS ON LET PROPERTIES	3,934	4,244
COSTS PAYABLE BY THE TENANT AND BORNE BY THE LANDLORD ON RENTAL DAMAGE AND REPAIR AT END OF LEASE	0	0
Rental charges invoiced to the landlord	-572	-1,715
Property taxes and other taxes on let properties	-3,407	-2,413
CHARGES AND TAXES NOT RECOVERED BY THE TENANT ON LET PROPERTIES	-3,979	-4,128
Cleaning	-79	-274
Energy	-583	-773
Depreciation of furniture	0	0
Other	1,017	34
OTHER RENTAL-RELATED INCOME AND CHARGES	355	-1,013
PROPERTY RESULT	271,853	230,535

Note 6: Property operating result

(x €1,000)	31/12/2022	31/12/2021
PROPERTY RESULT	271,853	230,535
Repair and maintenance	-2,609	-1,282
Insurance	-156	-98
Employee benefits	41	0
Expert fees	-649	-52
TECHNICAL COSTS	-3,373	-1,432
Letting fees paid to real estate brokers	0	0
Marketing	0	0
Fees paid to lawyers and other legal costs	0	0
Other	-29	-61
COMMERCIAL COSTS	-29	-61
Charges	-53	-2
CHARGES AND TAXES ON UNLET PROPERTIES	-53	-2
Fees paid to external property managers	-25	-2,958
Internal property management expenses	-4,630	-2,475
PROPERTY MANAGEMENT COSTS	-4,655	-5,433
Property taxes and other taxes	-1,110	-667
OTHER PROPERTY CHARGES	-1,110	-667
PROPERTY OPERATING RESULT	262,633	222,940

The decrease of 'Fees paid to external property managers' and the increase in 'Internal property management expenses' is explained by the internalisation of the local UK team.

Note 7: Overheads

(x €1,000)	31/12/2022	31/12/2021
Lawyers/notaries	-1,195	-1,713
Auditors/accountants	-677	-439
Real estate experts	-1,675	-1,354
IT	-1,523	-632
Insurance	-149	-457
Public relations, communication, marketing, publicity	-1,026	-656
Directors and executive management	-4,687	-3,793
Employee benefits	-11,322	-10,862
Depreciation and amortisation of other assets	-1,868	-1,660
Tax expense	-2,053	-2,945
Tax consulting ¹	-1,295	-576
Headhunter and recruitment costs ¹	-734	-291
Travel and representation ²	-588	-134
Other	-4,764	-5,418
Financial services	-624	-529
Fleet	-446	-241
Office	-1,423	-819
Other professional fees	-2,229	-3,670
Other	-42	-159
TOTAL	-33,556	-30,930

1. The lines 'Tax consulting' and 'Headhunter and recruitment costs' were integrated as per 31 December 2021 in the category 'Other professional fees'.
2. The line 'Travel and representation' was integrated as per 31 December 2021 in the category 'Office'.

Audit fees

(x €1,000)	31/12/2022	31/12/2021
Statutory (audit Aedifica SA)	131	110
Statutory audit (subsidiaries)	295	176
Opinion reports foreseen in the Belgian Companies and Associations Code	14	16
Other opinion reports (comfort letter, etc.)	8	23
Tax advice missions	0	0
Other missions unconnected with the statutory audit	0	0
TOTAL	448	325

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 (€4,687 k in 2022; €3,793 k in 2021).

(x €1,000)	31/12/2022	31/12/2021
Short-term benefits	4,352	3,505
Post-employment benefits	260	235
Other long-term benefits	0	0
Termination benefits	0	0
Share-based payments	75	53
Total	4,687	3,793

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)	31/12/2022	31/12/2021
Technical costs (see Note 6)	41	0
Overheads (see Note 7)	-11,322	-10,862
Property management costs (see Note 6)	-4,630	-2,475
Capitalised costs	-422	-715
TOTAL	-16,333	-14,052

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

	31/12/2022	31/12/2021
Headcount at the year-end	126	114
Employees	121	109
Executive management personnel	5	5
FULL-TIME EQUIVALENT (EXCL. EXECUTIVE MANAGEMENT PERSONNEL) DURING THE YEAR	109.3	103.7

The increase in employees is related to the Group's international growth.

Note 8: Other operating income and charges

(x €1,000)	31/12/2022	31/12/2021
Recovery of damage expenses	133	42
Other	464	1,275
TOTAL	597	1,317

'Other' is mainly related to the recovery of VAT in the UK (€467k in 2022, €609k in 2021).

Note 9: Gains and losses on disposals of investment properties

(x €1,000)	31/12/2022	31/12/2021
Net sale of properties (selling price - transaction costs)	35,890	53,487
Carrying amount of properties sold (fair value of assets sold)	35,103	52,953
TOTAL	787	534

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

(x €1,000)	31/12/2022	31/12/2021
Belgium	18,220	24,716
Germany	39,054	27,082
Netherlands	14,873	7,118
United Kingdom	-2,029	24,787
Finland	34,609	77,743
Sweden	-279	4,970
Ireland	-19,383	-6,114
Spain	-188	-91
TOTAL	84,877	160,211
Of which:		
Marketable investment properties	81,851	154,623
Development projects	4,258	6,692
Right of use of plots of land	-1,232	-1,104

For 2022, the most significant changes are registered in the United Kingdom, Finland and Ireland. These changes are explained as follows:

- United Kingdom:** Following the initial recovery of the economy after the pandemic, there is currently considerable uncertainty in the UK due to several factors, including the reaction to the mini-budget and the fact that economic commentators and rating agencies are forecasting a decline in UK GDP, with recession widely predicted.
- Finland:** Current market uncertainty is causing upward pressure on yields, especially in the tightest-priced sectors. This pressure has increased further as the year progressed. The market in H2 2022 differs significantly from that in H1. The entire real estate market has experienced unusual volatility in recent months. Market shifts have been unusually quick and their amplitude considerably larger than under standard market conditions. The development gains on own development projects positively supported the fair value for 2022.
- Ireland:** For the initial recognition of the fair value, the transaction costs (between 6% and 8%, which are higher than in other countries) are deducted from the acquisition value. In current market conditions, this negative impact is not offset by the increase in fair value.

For more details, see section 1.3 'Market trends' of the 'Portfolio' chapter.

Note 12: Other result on portfolio

(x €1,000)	31/12/2022	31/12/2021
Goodwill impairment	-18,103	-3,540
Other	0	0
TOTAL	-18,103	-3,540

During the financial year under review, the Group recognised a goodwill impairment related to the acquisition of Hoivatilat Oyj and the acquisition of Layland Walker Ltd (see Note 20 for more information).

Note 13: Financial income

(x €1,000)	31/12/2022	31/12/2021
Reinvoiced interests	1,183	327
Other	423	516
TOTAL	1,606	843

The financial income of 2022 mainly includes €1.3 million of reinvoiced interests (€0.3 million in 2021) and €0.2 million of realised and unrealised foreign exchange differences (€0.3 million in 2021).

Note 14: Net interest charges

(x €1,000)	31/12/2022	31/12/2021
Nominal interest on borrowings	-27,617	-20,240
Bilateral loans - floating rate	-14,597	-10,892
Short-term treasury Notes - floating rate	-841	-439
Investment credits - floating or fixed rate	-1,628	-1,814
Long-term treasury Notes - fixed rate	-1,395	-1,390
Bond - Fixed rate	-3,750	-1,171
Private placement - fixed rate	-5,406	-4,534
Charges arising from authorised hedging instruments		
Authorised hedging instruments qualifying for hedge accounting as defined under IFRS	-4,121	-4,711
Authorised hedging instruments not qualifying for hedge accounting as defined under IFRS	-5,763	-4,245
Subtotal	-9,884	-8,956
Income arising from authorised hedging instruments		
Authorised hedging instruments qualifying for hedge accounting as defined under IFRS	1,071	0
Authorised hedging instruments not qualifying for hedge accounting as defined under IFRS	3,259	0
Subtotal	4,330	0
Capitalised interest charges	3,966	3,320
Interest cost related to leasing debts booked in accordance with IFRS 16	-951	-984
Other interest charges	-495	-688
TOTAL	-30,651	-27,548

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)	31/12/2022	31/12/2021
Bank charges and other commissions	-4,819	-4,224
Other	-2,375	-1,233
TOTAL	-7,194	-5,457

The item 'Bank charges and other commissions' includes €3,437 k of commitment fees (2021: €2,785 k).

The item 'Other' includes -€2,222 k of realised and unrealised foreign exchange differences (2021: -€824 k).

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

(x €1,000)	31/12/2022	31/12/2021
Authorised hedging instruments		
Authorised hedging instruments qualifying for hedge accounting as defined under IFRS	34	-31
Authorised hedging instruments not qualifying for hedge accounting as defined under IFRS	124,252	15,679
Subtotal	124,286	15,648
Other	-1,044	-835
TOTAL	123,242	14,813

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 (Immobel NV/SA), which was initially wholly controlled by Aedifica NV/SA.

Aedifica NV/SA gradually sold its shares in Immobel 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, Immobel NV/SA is no longer a perimeter company and is consolidated using the equity method.

On 7 July 2022, Aedifica created Sonneborgh Ontwikkeling BV for the acquisition of a real estate company that owns a plot of land in the Netherlands. The purpose of Aedifica Sonneborgh Ontwikkeling BV is to obtain building permits and construct a care home. Upon completion, the building will be transferred to Aedifica Sonneborgh Real Estate BV, another company controlled by Aedifica.

On 1 April 2022 and 9 September 2022, Aedifica UK Limited acquired a 25% stake in 2 British real estate companies that own plots of land (MMCG 2 Devco 2 Limited and MMCG2 Devco 3 Limited, respectively). The value of the shares acquired amounts to £268 for each company. The remaining shares are held by Maria Mallaband Care Group, which is developing a care home on each of the plots. Upon completion of the buildings in 2023 and 2024, Aedifica UK Limited will acquire full ownership of the completed properties by taking control of the remaining shares in the companies. The completed properties will be leased to MMCG (2) Limited which will operate the care homes (see press releases of 1 April 2022 and 9 September 2022 for more information).

(x €1,000)	31/12/2022	31/12/2021
Carrying amount at the beginning of the year	40,522	36,998
Acquisition of shares of associates and joint ventures accounted for using the equity method	504	0
Disposal of shares of a subsidiary resulting in their equity method accounting (formerly under full consolidation)	0	0
Share in the profit or loss of associates and joint ventures accounted for using the equity method	2,168	6,371
Impact of dividends received on equity	-2,372	-2,847
Other	2	0
Carrying amount at the end of the year	40,824	40,522

Company	Immobel SA
Segment	Apartment buildings
Country	Belgium
% held by the Group	24.97%
Partner shareholders	Primonial European Residential Holdco Sarl
Date of company creation	June 2018

Amount of the Group share in the result (x €1,000)	31/12/2022
Net result (100%)	8,970
Other elements of the global result	0
Global result	8,970
% held by the Group	24.97%
Share in the profit or loss of associates and joint ventures accounted for using the equity method	2,240
Amount of the interest at the Group (x €1,000)	
Equity-accounted investments	40,390

Company	MMCG 2 DEVCO 2 Limited
Segment	Healthcare real estate
Country	United Kingdom
% held by the Group	25.09%
Partner shareholders	Miscellaneous
Date of company creation	June 2021
Amount of the Group share in the result (x €1,000)	31/12/2022
Net result (100%)	-173
Other elements of the global result	0
Global result	-173
% held by the Group	25.09%
Share in the profit or loss of associates and joint ventures accounted for using the equity method	-44
Amount of the interest at the Group (x €1,000)	31/12/2022
Equity-accounted investments	-41
Company	MMCG 2 DEVCO 3 Limited
Segment	Healthcare real estate
Country	United Kingdom
% held by the Group	25.09%
Partner shareholders	Miscellaneous
Date of company creation	June 2021
Amount of the Group share in the result (x €1,000)	31/12/2022
Net result (100%)	-75
Other elements of the global result	0
Global result	-75
% held by the Group	25.09%
Share in the profit or loss of associates and joint ventures accounted for using the equity method	-19
Amount of the interest at the Group (x €1,000)	31/12/2022
Equity-accounted investments	-18
Company	Aedifica Sonneborgh Ontwikkeling BV
Segment	Healthcare real estate
Country	Netherlands
% held by the Group	50.00%
Partner shareholders	Sonneborgh Ontwikkeling BV
Date of company creation	October 2015
Amount of the Group share in the result (x €1,000)	31/12/2022
Net result (100%)	-20
Other elements of the global result	0
Global result	-20
% held by the Group	50.00%
Share in the profit or loss of associates and joint ventures accounted for using the equity method	-10
Amount of the interest at the Group (x €1,000)	31/12/2022
Equity-accounted investments	493

Note 18: Tax

(x €1,000)	31/12/2022	31/12/2021
Parent		
Profit before tax (loss)	318,461	202,654
Effect of the Belgian REIT tax regime	-318,461	-202,654
Taxable result in Belgium based on non-deductible costs	1,820	2,185
Belgian current tax at rate of 29,58%	-538	-646
Belgian current tax regularisation for the previous year	-117	-103
Foreign current tax	-1,860	-2,489
Subtotal	-2,515	-3,238
Subsidiaries		
Belgian current tax	439	-5
Foreign current tax	-9,894	-7,034
Subtotal	-9,455	-7,039
Corporate tax	-11,970	-10,277
 Exit tax	 -330	 -256
Parent	-6,485	-1,121
Subsidiaries	-35,890	-45,075
Deferred taxes	-42,375	-46,196
TOTAL TAX	-54,675	-56,729

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.

Fiscal Investment Institutions ('FBI') in the Netherlands

In September 2022, the Dutch government announced its intention to exclude direct investments in real estate from the Fiscal Investment Institutions (Fiscale Beleggingsinstellingen, 'FBI') regime as from 1 January 2024. The possible entry into force of this measure was recently postponed to 1 January 2025. Although the Aedifica Group was of the opinion that it meets the conditions for claiming FBI status and submitted applications to the Dutch tax authorities to that effect, the Group opted, as a matter of prudence, for a common law tax burden in the results of its Dutch subsidiaries from the start of its operations in the Netherlands in 2016. The Aedifica Group still claims the application of this regime for its subsidiaries active in the Netherlands. In case the FBI regime is granted, the cumulative positive retroactive impact on current taxes and EPRA Earnings is estimated to amount to approx. €13 million for the period 2016-2022. During recent discussions with the Dutch tax authorities, Aedifica Group received confirmation that the FBI requirements have in any event already been met for the period up to 2020. Refunds will be recognised in the income statement upon receipt of final corporate tax assessments.

Deferred taxes generally 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:

	31/12/2022	31/12/2021
Profit (loss) (Owners of the parent) (x €1,000)	331,778	281,824
Weighted average number of shares outstanding during the period	38,113,384	34,789,526
Basic EPS (in €)	8.71	8.10
Diluted EPS (in €)	8.71	8.10

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).

It is calculated as follows:

(x €1,000)	31/12/2022	31/12/2021
Profit (loss) (Owners of the parent)	331,778	281,824
Changes in fair value of investment properties (see Note 11)	-84,877	-160,211
Gain and losses on disposal of investment properties (see Note 9)	-787	-534
Deferred taxes in respect of EPRA adjustments (see Notes 18 and 25)	42,705	46,452
Tax on profits or losses on disposals (see Notes 9 and 18)	0	559
Changes in fair value of financial assets and liabilities (see Note 16)	-123,242	-14,813
Goodwill impairment (see Note 12)	18,103	3,540
Share in the profit or loss of associates and joint ventures accounted for using the equity method in respect of EPRA corrections	-1,806	-6,011
Non-controlling interests in respect of the above	-488	673
Roundings	0	0
EPRA Earnings*	181,386	151,479
Weighted average number of shares outstanding during the period	38,113,384	34,789,526
EPRA Earnings* per share (in €)	4.76	4.35
EPRA Earnings* diluted per Share (in €)	4.76	4.35

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

Note 20: Goodwill

(x €1,000)	31/12/2022	31/12/2021
Gross value at the beginning of the year	165,678	162,061
Cumulative impairment losses at the beginning of the year	-3,952	-335
Carrying amount at the beginning of the year	161,726	161,726
Gross value – Additions / Transfer	45	3,617
Gross value – Disposals	-335	0
Gross value – Increase / decrease due to foreign exchange rate	-184	0
Impairment losses - Additions	-18,101	-3,617
Impairment losses – Disposals	335	0
Impairment losses – Increase / decrease due to foreign exchange rate	184	0
CARRYING AMOUNT AT THE END OF THE YEAR	143,669	161,726
of which: gross value	165,204	165,678
cumulative impairment losses	-21,535	-3,952

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

The goodwill that arose from the acquisition of Schloss Bensberg Management GmbH (€335 k) was set at zero during the 2017/2018 financial year. The gross value of goodwill and cumulative impairment losses were removed from the balance sheet following the disposal of the subsidiary.

The gross value of goodwill resulting from the acquisition of Hoivatilat Oyj in 2020 remains unchanged (€161,726 k). 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 assets acquired.

When the Aedifica Group acquired Hoivatilat Oyj in 2020, the company already had a complete and operational development team. The goodwill paid by the Aedifica Group is a recognition of the capabilities, know-how and local connections that enable Hoivatilat Oyj to achieve the expected development goals. Since the acquisition in January 2020, the company has successfully achieved these development goals and remains on track with management expectations.

The addition of goodwill in 2021 (€3,617 k, corresponding to £3,043 k on the books of Aedifica UK Limited, the buyer) arose from the acquisition of Aedifica UK Management Limited (formerly Layland Walker Limited), which is the asset management company of the UK subsidiaries. It results from the positive difference between the acquisition cost (the price paid for the shares of Aedifica UK Management Limited) and the fair value of the net assets acquired. In 2022, a price adjustment arose from the application of the normal share purchase agreement mechanism, resulting in an addition of €44 k (corresponding to £40 k on the books of Aedifica UK Limited). The change in the foreign exchange rate between euro and British pound sterling compared to 31 December 2021 also resulted in a decrease in both gross value and cumulative impairment losses of €184 k.

Impairment test

On 31 December 2022, the goodwill of the Hoivatilat Oyj acquisition was subject to an impairment test by comparing the carrying value of the cash generating units to which goodwill is allocated with the recoverable amount of those Cash Generating Units (CGU). CGU's to which goodwill is allocated are the existing investment properties of Hoivatilat in Finland, together with the future development activities in Finland enabled by Hoivatilat's internal development team and aligned with the development objectives set as from acquisition.

In determining the recoverable amount of a cash-generating unit, management uses estimates. The methods used to calculate the recoverable amount include methods based on discounted cash flows and methods based on market prices. Discounted cash flow valuations refer to projections based on financial plans approved by management, which are also used for internal purposes. The chosen planning horizon reflects the assumptions for short- to medium-term market developments and is taken into account for the calculation of the perpetual annuity. The terminal value is reached at the end of the planning horizon, taking into account the achievement of the development pipeline.

On 31 December 2022, the recoverable amount is the estimated fair value less cost of disposal of the Hoivatilat shares. The fair value less costs of disposal is determined by the Group using the expected future net cash flows covering the next four years based on the rents of the underlying investment properties and development projects (as per the tenants' lease agreements), the expenses to maintain and manage the property portfolio, and the value of development activities. Cash flows beyond the first 4 planning years are extrapolated using an appropriate terminal growth rate. This valuation represents a level 3 fair value measurement. The key assumptions in determining fair value less disposal costs are the completion of the development pipeline over the next four years, the indexation rate (which also directly affects the terminal growth rate) and the discount rate. They are mainly derived from internal sources and are based on past experience and extended by current internal expectations, and underlined by external market data and estimates. Any future changes in the above assumptions could have a significant impact on the fair values of the cash-generating units.

Management's approach in the calculation of the fair value less cost of disposal of Hoivatilat:

- The cash flow forecast (based on a budget plan approved by management) applied to determine the value of investment properties and ongoing development projects covers 4 years after testing date.
- The indexation rate applied to the 4-year forecast is based on the consumer price index in Finland and varies for each lease.
- The terminal perpetual growth rate applied on the last cash flow of the four year budget stands at 2%, which corresponds to the ECB's long-term target (2% in the 2021 impairment test).
- The value of development activities is determined assuming that a pipeline of €100 million per year will be developed over 4 years and sold upon completion. The yield on cost applied to determine the fair value of the non-committed pipeline amounts to approx. 6% (6% in the 2021 impairment test) and is based on the assumptions used by the independent real estate experts in the valuation of the existing portfolio. Climate change is one of the variables that experts include in their valuation.
- The discount rate amounts to 4.75% (4.25% in the 2021 impairment test), based on the average required return on equity and debt. Management applies a capital asset pricing model based on observable market data.

The assumptions used in our valuation model for the execution of development activities and maintenance expenses take into account the current sustainability requirements applicable to this type of assets in Finland. Climate change brings several challenges that may negatively impact the future value of assets (see risk factor 4. 'Climate change' on page 134).

On 31 December 2021, the carrying value amounted to €1,079,560 k and the recoverable amount was €1,104,586 k.

On 31 December 2022, the carrying value was €1,152,889 k and the recoverable amount was €1,134,832 k. The negative difference of €18.057 k was recognised as impairment in the Consolidated Income Statement.

The estimated recoverable amount is negatively impacted by the discount rate.

Sensitivity analysis	31/12/2022								
	Change in inflation				Change in discount rate				
	+1.00%	+0.50%	-0.50%	-1.00%	+1.00%	+0.50%	-0.50%	-1.00%	
Change of recoverable amount (in %)	30%	14%	-12%	-22%	-24%	-13%	15%	33%	
Sensitivity analysis	31/12/2021								
	Change in inflation				Change in discount rate				
	+1.00%	+0.50%	-0.50%	-1.00%	+1.00%	+0.50%	-0.50%	-1.00%	
Change of recoverable amount (in %)	28%	13%	-11%	-19%	-22%	-12%	14%	31%	

The sensitivity analysis does not consider the effect of one variable on the others, because there is no consensus on the methodology to be applied in order to quantify such impact.

Provided that Aedifica UK Management Limited will not provide asset management services outside of the Group, the recoverable amount is considered to be zero. Therefore, the goodwill is entirely amortised on 31 December 2022 (€3,083 k, representing €3,479 k converted at closing rate). The impairment for the period amounts to €47 k in the Consolidated Income Statement (€40 k, converted at the average exchange rate for the period).

Note 21: Intangible assets

Intangible assets all have a limited useful life and consist mainly of computer software. Amortisation is recognised in income under the line 'overheads' (see Note 7).

(x €1,000)	31/12/2022	31/12/2021
Gross value at the beginning of the year	3,353	2,698
Amortisations at the beginning of the year	-1,419	-909
Carrying amount at the beginning of the year	1,934	1,790
Entries: items acquired separately	519	657
Disposals	0	-3
Amortisations to income statement	-596	-511
Amortisations related to acquisitions and disposals	0	1
CARRYING AMOUNT AT THE END OF THE YEAR	1,857	1,934
of which: Gross value	3,872	3,353
Amortisations	-2,015	-1,419

Note 22: Investment properties

1. Overview of investment properties

(x €1,000)	31/12/2022	31/12/2021
Marketable investment properties	5,365,071	4,651,161
+ Right of use of plots of land	70,335	57,947
+ Development projects	184,295	151,954
Investment properties	5,619,701	4,861,062
+ Assets classified as held for sale	84,033	35,360
Investment properties including assets classified as held for sale*, or real estate portfolio*	5,703,734	4,896,422
- Development projects	-184,295	-151,954
Marketable investment properties including assets classified as held for sale*, or investment properties portfolio	5,519,439	4,744,468

All investment properties are located in Belgium, Germany, the Netherlands, the United Kingdom, Finland, Sweden, Ireland and Spain.

Assets classified as held for sale (line II.A. included in the assets on the balance sheet) amount to €84.0 million as of 31 December 2022. They mainly relate to eight care properties in the United Kingdom, six care properties in Germany and one care property in Belgium that are considered to be non-strategic assets.

Development projects are detailed in the 'Portfolio' chapter included in the present Annual Financial Report.

The evolution of the marketable investment properties and development projects is detailed in the following table:

(x €1,000)	Marketable investment properties	Development projects	TOTAL
CARRYING AMOUNT AS OF 01/01/2021	3,615,394	141,320	3,756,714
Acquisitions	609,003	16,369	625,372
Disposals	-53,134	-	-53,134
Capitalised interest charges	-	3,321	3,321
Capitalised development costs	-	1,117	1,117
Other capitalised expenses	11,110	272,253	283,363
Spreading of rental gratuities and concessions	10,637	-	10,637
Transfers due to completion	289,139	-289,139	-
Changes in fair value (see Note 11)	154,623	6,692	161,315
Other expenses booked in the income statement	-	-	-
Net exchange difference on foreign operation	43,621	21	43,642
Assets classified as held for sale	-29,232	-	-29,232
CARRYING AMOUNT AS OF 31/12/2021	4,651,161	151,954	4,803,115
CARRYING AMOUNT AS OF 01/01/2022	4,651,161	151,954	4,803,115
Acquisitions	425,053	42,028	467,081
Disposals	-34,930	-	-34,930
Capitalised interest charges	-	3,953	3,953
Capitalised development costs	-	801	801
Other capitalised expenses	4,388	304,558	308,946
Spreading of rental gratuities and concessions	11,658	-	11,658
Transfers due to completion	322,639	-322,639	-
Changes in fair value (see Note 11)	81,851	4,258	86,109
Other expenses booked in the income statement	-	-	-
Net exchange difference on foreign operation	-48,077	-618	-48,695
Assets classified as held for sale	-48,672	-	-48,672
CARRYING AMOUNT AS OF 31/12/2022	5,365,071	184,295	5,549,366

The main impact on net exchange difference on foreign operation is generated by the Group's operations in British pound sterling and, to a lesser extent, its operations in Swedish krona. For more details on the currency valuation method applied within the Group, see Note 2.

The fair value of the marketable investment properties as of 31 December 2022 is assessed by independent valuation experts. The average capitalisation rate applied to contractual rents is 5.51% (in accordance with the valuation methodology – presented in the first bullet of section 1.11 of the Standing Documents included in the 2022 Annual Financial Report). A positive 0.10% change in the capitalisation rate would lead to a negative change of approx. €97 million in the portfolio's fair value.

2. Acquisitions during the financial year

Acquisitions made during a financial year, as detailed in the Financial Review included in the present Annual Financial Report, can be realised in four ways:

- Acquisition of a property directly, paid in cash, presented under the item 'Purchase of Investment Properties and Development Projects' of the cash flow statement;
- Acquisition of a property, paid in shares, these transactions are not included in the cash flow statement as they do not generate cash flow;
- Acquisition of the company owning a property, paid in cash, shown under the item 'Purchase of Real Estate companies' of the cash flow statement for the amount of the shares bought;
- Acquisition of the company owning a property, paid in shares, these transactions are not included in the cash flow statement as they do not generate cash flow.

(x €1,000)	31/12/2022	31/12/2021
Marketable investment properties		
Properties against cash	217,511	430,205
Properties against shares	23	46,437
Companies against cash	154,078	132,361
Companies against shares	53,442	0
Development projects		
Properties against cash	31,643	11,799
Properties against shares	0	0
Companies against cash	10,385	4,570
Companies against shares	0	0
TOTAL	467,081	625,372

The amount of €249,153 K included in the cash flow statement under the heading 'Purchase of Investment Properties and Development Projects' comprises the sum of the properties paid in cash.

The amount of €151,855 K included in the cash flow statement under the heading 'Purchase of Real Estate companies' comprises among other things the sum of the companies paid in cash.

3. Assessment method and unobservable data

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 2022 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 31/12/2022 (x €1,000)	Assessment method	Unobservable data ¹		Min	Max	Weighted average
HEALTHCARE REAL ESTATE	5,449,104						
Belgium	1,299,390	DCF & Capitalisation	ERV / m ²	90	250	133	
			Inflation	2.3%	2.4%	2.3%	
			Discount rate	4.9%	8.4%	6.1%	
			Capitalisation rate	4.0%	8.2%	5.0%	
			Residual maturity (year)	3	29	20	
Netherlands	640,102	DCF & Capitalisation	ERV / m ²	42	313	141	
			Inflation	2.0%	3.0%	3.0%	
			Discount rate	4.5%	8.0%	5.9%	
			Capitalisation rate	4.5%	5.2%	4.7%	
			Residual maturity (year)	8	25	17	
Germany	1,197,566	DCF	ERV / m ²	32	210	118	
			Inflation	2.0%	2.0%	2.0%	
			Discount rate	3.8%	7.4%	5.3%	
			Residual maturity (year)	1	30	22	
United Kingdom	959,740	Capitalisation	ERV / m ²	63	350	184	
			Capitalisation rate	4.1%	14.5%	5.5%	
			Residual maturity (year)	11	35	22	
Finland	984,800	DCF	ERV / m ²	127	322	220	
			Inflation	2.0%	2.0%	2.0%	
			Discount rate	4.1%	9.8%	4.8%	
			Residual maturity (year)	0	25	12	
Sweden	76,880	DCF	ERV / m ²	2,195	3,547	2,626	
			Inflation	2.0%	2.0%	2.0%	
			Discount rate	6.7%	7.2%	7.0%	
			Residual maturity (year)	1	18	12	
Ireland	289,126	Capitalisation	ERV / m ²	47	351	239	
			Capitalisation rate	4.5%	5.0%	4.9%	
			Residual maturity (year)	19	25	24	
Spain ²	1,500	DCF	ERV / m ²	0	0	0	
DEVELOPMENT PROJECTS	184,295	DCF & Capitalisation	ERV / m ²	8	275	143	
			Inflation	1.4%	3.0%	1.5%	
			Discount rate	3.3%	8.0%	2.6%	
			Capitalisation rate	4.3%	7.6%	4.8%	
			Residual maturity (year)	12	30	12	
Total	5,633,399						

1. ERV / m²: This ratio, expressed in local currency, is obtained by averaging by country the following calculation per asset: fair value weighted ERV/square metres. The ERV/m² can be converted to Group currency based on the exchange rate of 31 December 2022 (0.88617 €/£ and 11.17069 €/SEK).

2. Spain: No unobservable data is disclosed as there is no operational marketable investment property as per 31 December 2022.

The remaining economic life of the asset is not formally determined, but implicitly recognised through the discount rate and the exit yield in case of DCF method or implicitly recognised through the capitalisation rate used for the activation method, including a factor for building obsolescence. In all cases, this remaining economic life is at least equal to the remaining term of the current lease. The same principle applies to the operational margin of the operators, which is implicitly taken into account in the discount rate and the capitalisation rate.

For other unobservable input not included in the table above, see section 1 of the 'Portfolio' chapter and 'Overview of investment properties' in the 'Additional information' chapter.

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, the size of the building, square metre per unit, etc., which explains the significant differences between the minimum and maximum amounts for these unobservable data. Moreover, these unobservable data may be linked. The capitalisation rate is determined by the valuation expert based on economic data and benchmarking and takes into account a risk premium. One of the variables that affect the risk premium is related to climate change.

Type of asset	Fair value as of 31/12/2021 (x €1,000)	Assessment method	Unobservable data ¹	Min	Max	Weighted average
HEALTHCARE REAL ESTATE	4,686,521					
Belgium	1,213,217	DCF & Capitalisation	ERV / m ²	77	279	128
			Inflation	1.5%	1.8%	1.6%
			Discount rate	4.7%	6.9%	5.4%
			Capitalisation rate	3.7%	7.6%	5.0%
			Residual maturity (year)	3	29	22
Netherlands	564,105	DCF & Capitalisation	ERV / m ²	39	305	135
			Inflation	1.8%	2.0%	1.9%
			Discount rate	4.5%	8.0%	5.9%
			Capitalisation rate	4.0%	12.5%	5.6%
			Residual maturity (year)	10	26	18
Germany	1,057,513	DCF	ERV / m ²	39	225	119
			Inflation	2.0%	2.0%	2.0%
			Discount rate	4.1%	7.0%	5.5%
			Residual maturity (year)	1	30	23
United Kingdom	821,666	Capitalisation	ERV / m ²	63	344	174
			Capitalisation rate	4.6%	12.9%	6.0%
			Residual maturity (year)	12	35	22
Finland	859,850	DCF	ERV / m ²	127	295	206
			Inflation	1.9%	1.9%	1.9%
			Discount rate	3.8%	9.5%	4.5%
			Residual maturity (year)	2	25	12
Sweden	78,329	DCF	ERV / m ²	2,195	3,547	2,629
			Inflation	2.0%	2.0%	2.0%
			Discount rate	6.1%	6.7%	6.5%
			Residual maturity (year)	2	19	13
Ireland	91,841	Capitalisation	ERV / m ²	47	276	198
			Capitalisation rate	4.5%	5.1%	4.9%
			Residual maturity (year)	24	25	24
DEVELOPMENT PROJECTS	150,449	DCF & Capitalisation	ERV / m ²	58	280	165
			Inflation	1.5%	2.0%	1.6%
			Discount rate	3.2%	6.9%	4.1%
			Capitalisation rate	3.6%	7.0%	4.8%
			Residual maturity (year)	9	35	24
Total	4,836,970					

1. ERV / m²: This ratio, expressed in local currency, is obtained by averaging by country the following calculation per asset: fair value weighted ERV/square metres. The ERV/m² can be converted to Group currency based on the exchange rate of 31 December 2021 (0.84119 €/£ and 10.2887 €/SEK).

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.

In accordance with legal provisions, properties are revalued four times per year based on valuation reports prepared by the eleven 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)	31/12/2022	31/12/2021
Gross value at beginning of the period	5,513	4,944
Depreciation at beginning of period	-3,144	-2,131
Carrying amount at beginning of period	2,369	2,813
Additions	1,519	763
Disposals	-379	-59
Depreciations to income statement	-1,272	-1,148
Depreciations related to acquisitions and disposals	337	1
Transfers to equity due to foreign currency operations	0	0
CARRYING AMOUNT AT END OF PERIOD	2,573	2,369
of which: Gross value (excl. IFRS 16)	2,679	2,332
Right of use assets (in accordance with IFRS 16)	3,973	3,180
Depreciations (excl. IFRS 16)	-1,958	-1,635
Depreciations on right of use assets (in accordance with IFRS 16)	-2,121	-1,509

Depreciation is recognised in income under the line 'overheads' (see Note 7).

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

(x €1,000)	31/12/2022	31/12/2021
Receivables		
Collateral	135	93
Other non-current receivables	8,968	666
Assets at fair value through profit or loss		
Hedging instruments (see Note 33)	123,219	6,720
TOTAL NON-CURRENT FINANCIAL ASSETS	132,322	7,479
Liabilities at fair value through profit or loss		
Hedging instruments (see Note 33)	-2,299	-20,575
Other	-6,291	-5,697
Total non-current financial liabilities		
Hedging instruments (see Note 33)	-1,559	-12,751
Non current lease liability (in accordance with IFRS 16)	-72,083	-57,131
TOTAL OTHER NON-CURRENT FINANCIAL LIABILITIES	-82,232	-96,154
Total current financial liabilities		
Current lease liability (in accordance with IFRS 16)	-3,487	-2,616
TOTAL OTHER CURRENT FINANCIAL LIABILITIES	-3,487	-2,616

The collateral at fair value (€135 k; 31 December 2021: €93 k) includes blocked funds in Germany; the United Kingdom and Finland.

'Other non-current receivables' corresponds to the receivables from MMCG 2 DEVCO 2 Limited and MMCG 2 DEVCO 3 Limited (subsidiaries accounted for using the equity method).

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 (€6,291 k; 31 December 2021: €5,697 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 generally 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 increase in the fair value of the properties.

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

(x €1,000)	Assets	Liabilities
CARRYING AMOUNT AS OF 01/01/2021	2,902	-74,609
Originations	-135	-45,774
Reversals	102	-388
Scope changes	246	-511
CARRYING AMOUNT AS OF 31/12/2021	3,116	-121,283
(x €1,000)	Assets	Liabilities
CARRYING AMOUNT AS OF 01/01/2022	3,116	-121,283
Originations	1,547	-47,112
Reversals	0	4,278
Scope changes	0	0
CARRYING AMOUNT AS OF 31/12/2022	4,662	-164,117

Note 26: Trade receivables

(x €1,000)	31/12/2022	31/12/2021
TRADE RECEIVABLES - NET VALUE	23,577	20,434

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 that do not generate interest.

The credit risk associated with trade receivables is limited thanks to the diversity of the client base and rental guarantees (€67.9 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)	31/12/2022	31/12/2021
under 90 days	2,009	3,304
over 90 days	2,137	1,727
Subtotal	4,146	5,031
Not due	25,085	19,471
Write-downs	-5,654	-4,068
CARRYING AMOUNT	23,577	20,434

Write-downs have evolved as follows:

(x €1,000)	31/12/2022	31/12/2021
At beginning of period	-4,068	-3,383
Addition	-1,722	-770
Utilisation	26	0
Reversal	109	86
Mergers / Transfers	0	0
AT END OF PERIOD	-5,654	-4,068

Note 27 : Tax receivables and other current assets

(x €1,000)	31/12/2022	31/12/2021
Tax	9,282	5,981
Other	991	1,387
TOTAL	10,273	7,368

Tax receivables are composed of tax credits.

Note 28: Cash and cash equivalents

(x €1,000)	31/12/2022	31/12/2021
Short-term deposits	0	0
Cash at bank and in hands	13,891	15,335
TOTAL	13,891	15,335

Note 29: Deferred charges and accrued income

(x €1,000)	31/12/2022	31/12/2021
Accrued rental income	0	-268
Deferred property charges	525	602
Accrued interests and deferred financial charges	1,485	16
Deferred charges on future projects	5,513	2,119
Other	635	2,693
TOTAL	8,158	5,162

Note 30: Equity

Aedifica has completed three capital increases during the 2022 financial year:

- 18 May 2022: capital increase of approx. €7.5 million (including share premium) by way of the contribution in kind of the building and plot of land of the Résidence Véronique care home in Somme-Leuze (Belgium) in Aedifica NV/SA;
- 29 June 2022: capital increase of approx. €254.5 million (including share premium) by issuing 2,925,000 new Aedifica shares in the context of an accelerated private placement ('accelerated bookbuilding') with institutional investors;
- 6 July 2022: capital increase of approx. €47 million (including share premium) by way of the contribution in kind of the building and plot of land of two care properties in Bruges and Ghent (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	33,086,572	873,081
Capital increase of 15 June 2021	2,800,000	73,886
Capital increase of 29 June 2021	184,492	4,868
Capital increase of 8 September 2021	237,093	6,256
Situation at the end of the previous year	36,308,157	958,092
Capital increase of 18 May 2022	74,172	1,957
Capital increase of 29 June 2022	2,925,000	77,184
Capital increase of 6 July 2022	547,914	14,458
Situation at the end of the year	39,855,243	1,051,692

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 2022, based on the number of shares held by the shareholders concerned on 23 September 2022 – see also section 3.3 'Shareholding structure' of the 'Financial Review' chapter). As at the closing date of this Annual Financial Report, Aedifica has not received any additional transparency notifications that would change the situation on 23 September 2022. Declarations of transparency and control strings are available on Aedifica's website. According to Euronext's definition, the free float is 100%.

SHAREHOLDERS	Voting rights (in %)
BlackRock, Inc.	5.4
Other < 5%	94.6
Total	100.0

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 39,855,243 shares issued as of 31 December 2022 are listed on the regulated markets of Euronext Brussels and Euronext Amsterdam.

As at 31 December 2022, Aedifica NV/SA holds 277 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 28 July 2022, 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) 20% of the amount of the capital on the date of the extraordinary general meeting of 28 July 2022, 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 28 July 2022, as the case may be, 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 two years, calculated from the publication of the minutes of the extraordinary general meeting of 28 July 2022, 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 realised 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 2022, the balance of the authorised capital amounts to:

- 1) €525,845,767.86 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) €210,338,307.14 for capital increases in the framework of the distribution of an optional dividend;
- 3) €105,169,153.57 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 €1,051,691,535.73, 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 €3.70 gross per share, i.e. a total dividend of €141,163 k, to be divided over two coupons (coupon no. 30: €1.8145; coupon no. 31: €1.8855).

Taking into account the Royal Decree of 13 July 2014, on 31 December 2022 the available (statutory) reserves calculated in accordance with Article 7:212 of the Companies and Associations Code amount to €1,048,761 k, after the dividend distribution proposed above (31 December 2021: €92,001 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 & 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 2022 annual financial report.

In respect of these pension schemes, Aedifica held outsourced assets of €1.096 k as at 31 December 2022.

An actuarial valuation (using the Traditional Unit Credit (TUC) method) provides that the liabilities are calculated on the basis of the actual built-up minimum reserves at valuation date projected with 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 €18 k as at 31 December 2022.

In previous years, an additional defined contribution plan was introduced in Germany, the Netherlands and the United Kingdom. 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.

Note 32: Borrowings

(x €1,000)	31/12/2022	31/12/2021
Non-current financial debts	2,017,256	1,756,679
Credit institutions	1,240,399	959,522
Other	776,857	797,157
Current financial debts	435,164	324,398
Credit institutions	172,164	48,398
Other	263,000	276,000
TOTAL	2,452,420	2,081,077

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 the maturity dates of the drawings.

On 31 December 2022, Aedifica had committed credit facilities totalling €2,334 million granted by 21 banks.

- Aedifica can use up to €2,234 million depending on its needs, as 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 euro 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. €228 million of these credits lines were directly contracted by Hoivatilat Oyj.
- Aedifica also has amortising facilities with fixed interest rates between 0.8% and 6.0% amounting to €49 million and variable interest rates amounting to €51 million, of which €48 million are credits held directly or indirectly by Hoivatilat Oyj.

Aedifica NV/SA also has a €500 million treasury notes programme, of which €350 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%
BE6326201553	10	7	14/01/2021	14/01/2028	1.329%

- Under this programme, Aedifica has completed 5 private placements (see table above) amounting to €87 million. These amounts are presented on line 'Other' of the 'Non-current financial debts'.
- As of 31 December 2022, the short-term portion of the treasury notes programme (listed under the heading 'Other' of 'Current financial debts') is used for an amount of €252 million.

Hoivatilat Oyj also issues treasury notes in its own name. As of 31 December 2022, the outstanding amount was €11 million (listed under the heading 'Other' of 'Current financial debts').

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

Moreover, in 2021, Aedifica successfully issued:

- a bond ('USPP') of £180 million through a private placement with US, UK and Canadian institutional investors. The bonds have maturities of 7 and 12 years with a coupon of 2.58% and 2.79% respectively;
- its first benchmark Sustainability Bond for an amount of €500 million with a tenor of 10 years and a coupon of 0.75% per annum.

Loans contracted under Aedifica's Sustainable Finance Framework or linked to sustainability KPIs amount to €884 million, of which €847 million is drawn on 31 December 2022 (34% of the drawn debt), highlighting the Group's wish to further diversify its sources of financing and to integrate ESG criteria into its financial policy.

Over the course of the financial year, the average cost of debt* amounted to 1.3% (1.4% in 2021) or 1.4% including commitment fees (1.5% in 2021). Taking into account the duration of the drawings, the carrying amount of the financial debts with variable interest rate approximates their fair value (€1,616 million). The interest rate hedges are discussed in Note 33. The fair value of the financial debts with fixed interest rate (€836 million) is estimated at €630 million.

As of 31 December 2022, the Group did not mortgage or pledge any Belgian, Dutch, British or Irish building to its creditors. In Germany, Finland and Sweden, however, it is common practice for real estate to be secured as part of bank financing. As of 31 December 2022, the ratio between the secured financial debt and the total consolidated assets was 4%.

Taking these elements into account, the maturity dates of Aedifica's financial debts as of 31 December 2022 are as follows:

Financial debt (in € million) ¹	Lines	Utilisation	of which treasury notes
31/12/2023	578	423	263
31/12/2024	425	265	-
31/12/2025	531	170	-
31/12/2026	390	237	-
31/12/2027	532	430	50
31/12/2028	317	317	25
>31/12/2028	614	614	12
Total as of 31 December 2022	3,387	2,457	350
Weighted average maturity (in years)²	4.0	4.7	-

¹ Amounts in £ were converted into € based on the exchange rate of 31 December 2022 (0.88617 €/£).

² Without regard to short-term treasury notes.

Without regard to short-term financing (short-term treasury notes), the weighted average maturity of the financial debts as at 31 December 2022 is 4.7 years. The available liquidity after deduction of the short-term commercial paper stood at €667 million on 31 December 2022.

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 on 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, other intra-group revenues and the financial charges of the external debt in pound sterling, gradually, on a tranche-by-tranche basis, with forward contracts to smooth out exchange rate fluctuations.

In the course of 2022, Aedifica has contracted floating-rate bank loans denominated in pound sterling and swapped them to fixed rate, providing a natural hedge against its exposure to assets in the United Kingdom.

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 some derivatives initiated before 2017 that meet the criteria to allow hedge accounting. From 2017, in line with market practice, Aedifica chose not to apply hedge accounting to derivatives, even if they meet those strict criteria. The change in the fair value of the financial derivatives has no impact on EPRA Earnings, the main KPI for dividend distribution, and therefore the application of hedge accounting has limited added value.

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 these instruments is assessed on the basis of the present value of the estimated expected cash flows based on market data. 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 31/12/2021	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	-453
IRS	75,000	02/01/2020	3	2	No	0.33	-4
IRS	50,000	01/01/2021	3	3	Yes	0.80	-1,135
IRS	50,000	03/01/2022	3	2	Yes	0.73	-1,063
IRS	25,000	02/05/2019	3	6	Yes	1.10	-1,115
IRS	50,000	01/02/2022	3	2	No	0.34	-647
IRS	25,000	01/07/2019	3	6	No	1.69	-1,620
IRS	50,000	01/07/2024	3	4	No	0.08	353
IRS ¹	2,917	30/09/2019	3	12	No	1.55	-224
IRS	50,000	01/01/2021	3	2	Yes	0.64	-584
IRS ²	9,021	01/04/2011	3	32	Yes	4.89	-4,996
IRS	25,000	03/02/2020	3	10	Yes	0.66	-1,022
IRS	15,000	01/07/2019	3	10	No	2.01	-2,148
IRS	8,000	01/07/2019	3	10	No	2.05	-1,170
IRS	12,000	01/07/2019	3	10	No	1.99	-1,704
IRS	50,000	01/02/2022	3	3	No	0.46	-941
IRS ²	21,388	31/07/2014	3	29	No	4.39	-9,139
IRS	25,000	03/07/2019	3	10	No	1.04	-1,781
IRS	200,000	01/07/2024	3	4	No	-0.02	2,231
IRS	50,000	01/11/2019	3	5	Yes	0.78	-1,411
IRS	50,000	03/01/2022	3	1	Yes	0.65	-586
IRS	7,500	03/12/2018	1	5	No	0.46	-123
IRS	5,000	11/12/2018	1	5	No	0.66	-98
IRS	7,500	03/12/2018	3	5	No	0.47	-124
IRS	5,000	27/12/2018	6	5	No	0.7	-101
IRS	10,000	19/03/2019	6	5	No	0.83	-269
IRS	15,000	31/03/2020	1	5	No	0.46	-288
IRS	10,000	01/12/2018	1	5	No	0.63	-192
IRS	50,000	03/02/2025	3	4	No	0.15	295
IRS	100,000	01/07/2024	3	4	No	0.07	763
IRS	50,000	01/07/2024	3	4	No	0.12	276
IRS	50,000	02/01/2025	3	4	No	0.05	494
IRS	50,000	02/01/2025	3	4	No	0.06	477
IRS	50,000	01/11/2019	3	3	Yes	0.39	-387
CAP	50,000	01/05/2020	3	2	No	0.00	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	200,000	01/01/2024	3	1	No	0.00	401
CAP	100,000	04/01/2021	3	4	No	0.25	568
CAP	100,000	01/07/2021	3	3	No	0.00	431
CAP	50,000	01/07/2021	3	3	No	0.00	216
CAP	50,000	01/07/2021	3	3	No	0.00	216
TOTAL	1,978,326						-26,606

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

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

INSTRUMENT Analysis as at 31/12/2022	Notional amount ³ (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	2,972
IRS	50,000	01/01/2021	3	3	No	0.80	1,170
IRS	50,000	03/01/2022	3	2	No	0.73	1,203
IRS	25,000	02/05/2019	3	6	Yes	1.10	1,303
IRS	50,000	01/02/2022	3	2	No	0.34	1,511
IRS	25,000	01/07/2019	3	6	No	1.69	916
IRS	50,000	01/07/2024	3	4	No	0.08	5,302
IRS	50,000	02/01/2023	3	2	No	2.80	445
IRS	50,000	02/01/2023	3	2	No	2.67	568
IRS	50,000	02/01/2023	3	5	No	2.50	1,399
IRS ¹	2,625	30/09/2019	3	12	No	1.55	173
IRS	50,000	01/01/2021	3	2	Yes	0.64	1
IRS ²	8,778	01/04/2011	3	32	Yes	4.89	-1,559
IRS	25,000	03/02/2020	3	10	Yes	0.66	3,615
IRS	15,000	01/07/2019	3	10	No	2.01	945
IRS	8,000	01/07/2019	3	10	No	2.05	485
IRS	12,000	01/07/2019	3	10	No	1.99	767
IRS	50,000	01/02/2022	3	3	No	0.46	2,830
IRS ²	20,404	31/07/2014	3	29	No	4.39	-2,299
IRS	25,000	03/07/2019	3	10	No	1.04	3,106
IRS	200,000	01/07/2024	3	4	No	-0.02	21,937
IRS	50,000	01/01/2023	3	3	No	1.58	2,276
IRS	50,000	01/11/2019	3	5	Yes	0.78	2,217
IRS	50,000	03/01/2022	3	1	No	0.65	1
IRS	50,000	03/02/2025	3	4	No	0.15	5,005
IRS	100,000	01/07/2024	3	4	No	0.07	10,654
IRS	50,000	01/07/2024	3	4	No	0.12	5,233
IRS	50,000	02/01/2023	3	4	No	1.30	3,435
IRS	50,000	02/01/2025	3	4	No	0.05	5,219
IRS	50,000	02/01/2025	3	4	No	0.06	5,201
IRS	56,422	28/07/2022	3	5	No	2.46	3,734
IRS	67,707	07/07/2022	3	5	No	2.43	4,535
IRS	56,422	28/07/2022	3	5	No	2.29	4,111
IRS	7,500	03/12/2018	1	5	No	0.46	182
IRS	5,000	11/12/2018	1	5	No	0.66	115
IRS	7,500	03/12/2018	3	5	No	0.47	181
IRS	5,000	27/12/2018	6	5	No	0.70	123
IRS	10,000	19/03/2019	6	5	No	0.83	283
IRS	15,000	31/03/2020	1	5	No	0.46	923
IRS	10,000	01/12/2018	1	5	No	0.63	226
CAP	200,000	01/01/2024	3	1	No	0.00	3,386
CAP	100,000	04/01/2021	3	4	No	0.25	5,895
CAP	100,000	01/07/2021	3	3	No	0.00	4,819
CAP	50,000	01/07/2021	3	3	No	0.00	2,409
CAP	50,000	01/07/2021	3	3	No	0.00	2,409
TOTAL	2,082,358						119,361

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

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

3. Notional amounts in £ are converted into € based on the exchange rate of 31 December 2022 (0.88617 €/£).

The total notional amount of €2,082 million presented in the table above is broken down as follows:

- operational and active instruments: €1,082 million, of which €300 million caps;
- instruments with forward start: €1,000 million.

The total fair value of the hedging instruments presented in the table above (+€119,361 k) can be broken down as follows: €123,219 k on line I.E. of the asset side of the consolidated balance sheet and €3,858 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 (€454 k), the effect of the changes in fair value of interest rate hedging instruments on equity amounts to €118,908 k.

1.2 Derivatives for which hedge accounting is applied

(x €1,000)	31/12/2022	31/12/2021
Changes in fair of the derivatives		
Beginning of the year	-11,514	-20,856
Changes in the effective portion of the fair value of hedging instruments (accrued interests)	17,972	4,273
Transfer to the income statement of interests paid on hedging instruments	3,258	3,641
Transfer to the reserve account regarding revoked designation	38	224
Transfer to the reserve account of the net gain or loss on matured hedges	-180	1,204
AT YEAR-END	9,574	-11,514

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 2023 and 31 July 2043.

The year-end equity value includes the effective part (as defined in IFRS 9) of the change in fair value (+€21,229 k) of the financial instruments corresponding to the derivatives for which hedge accounting may be applied, and the ineffective portion of the 2021 financial year (loss of €31 k) that was appropriated in 2022 by decision of the Annual General Meeting held in May 2022. These financial instruments are 'level 2' derivatives (according to IFRS 13p81). The ineffective part (according to IAS 39) amounts to €34 k as of 31 December 2022.

1.3 Derivatives for which hedge accounting is not applied

The financial result includes an income of €124,962 k (31 December 2021: an income of €17,011 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 linear amortisation of the fair value of terminated derivatives as of their date of termination, which amounts to a loss of €711 k (31 December 2021: a loss of €1,332 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 €258 k (31 December 2021: €815 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 January 2022 and 31 December 2022. This resulted in an income of €124,286 k, recognised in the income statement, and to an income of €21,940 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 €466 k (€951 k on 31 December 2021). 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 €4,468 k (€3,670 k on 31 December 2021) on the income statement. A decrease of 10 bps in the interest rate would have a negative impact of €4,493 k on the income statement (€3,635 k on 31 December 2021).

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 assessed on the basis of the present value of the estimated cash flows based on market data. These financial instruments are 'level 2' derivatives (according to IFRS 13p81). As of 31 December 2022, Aedifica had no hedging contracts in place. During the financial year, cash flows linked to Aedifica's external debt denominated in pound sterling have partially offset net cash flows resulting from financial income from intra-group loans, other intra-group revenues and capital expenditures in the United Kingdom.

Note 34: Trade payables and other current debts

(x €1,000)	31/12/2022	31/12/2021
Trade debts	39,475	41,399
Exit tax	5,990	298
Taxes, social charges and salaries debts		
Tax	16,181	4,291
Salaries and social charges	5,013	3,928
Other		
Dividends of previous years	194	193
TOTAL	66,853	50,109

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) should be settled within 12 months. The carrying amount constitutes an approximation of their fair value.

Note 35: Accrued charges and deferred income

(x €1,000)	31/12/2022	31/12/2021
Property income received in advance	13,594	10,198
Financial charges accrued	6,024	7,173
Other accrued charges	7,089	7,360
TOTAL	26,707	24,731

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 Group remains subject to financing risks; a change in interest rates or exchange rates could have a negative impact on 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 detailed on page 56 of this Annual Financial Report. As of 31 December 2022, it amounts to 41.6% at the statutory level and to 43.6% 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). However, 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 €13.9 million as of 31 December 2022.

As of 31 December 2022, the Group did not mortgage or pledge any Belgian, Dutch, British or Irish buildings 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 2022, the ratio between the secured financial debt and the assets was 4%. It is possible that in the context of supplementary financing, additional mortgages will be granted.

2. Liquidity risk

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

As of 31 December 2022, the Group has drawn €2,457 million (31 December 2021: €1,811 million) from the total amount of €3,387 million of confirmed bank financing, medium-term notes and bonds. The remaining headroom is sufficient to cover the Group's short-term financial needs as well as the existing development projects until the end of the 2023 financial year. The 2023 financial plan includes payments in the context of the committed pipeline of development projects amounting to approx. €250 million and limited assumptions regarding new investments on top of the committed pipeline. These assumptions mainly concern development projects in Finland, where the target remains to invest an annual volume of approx. €100 million. These additional Finnish projects will have no impact on the projected revenue for 2023.

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 2022, medium-term notes amount to €87 million (31 December 2021: €87 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%. The interest cover ratio* (ICR), calculated based on the definition set out in the prospectus of Aedifica's Sustainability Bond ('Operating result before result on the portfolio' (lines I to XV of the consolidated income statement) divided by 'Net interest charges' (line XXI)), should be at least equal to 2.0x. As of 31 December 2022, the ratio is 7.5x (31 December 2021: 7.0x).

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 2022, the undiscounted future cash flows related to the credit facilities include €423 million maturing within 1 year, €1,103 million maturing within 1 to 5 years, and €931 million maturing in more than 5 years. The credit facilities also give rise to an interest expense of €24 million that is due within 1 year (31 December 2021: €319 million capital and €16 million interest due within 1 year).

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

As at 31/12/2022 (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	-682	-3,453	-3,602	-7,737
Derivatives for which hedge accounting is not applied	-8,301	-36,957	-7,930	-53,187
As at 31/12/2021 (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	-3,519	-5,331	-4,207	-13,057
Derivatives for which hedge accounting is not applied	-3,824	-10,382	-9,577	-23,783

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. The USPP and the benchmark bond issue have rebalanced Aedifica's mix of fixed and floating rate debt. The floating rate bank loans denominated in pound sterling issued in July 2022 have been fully swapped to fixed rate. On 31 December 2022, the financial debt is hedged against interest rate risk for 78.2%, i.e. the ratio of the sum of the fixed rate debt and the notional amount of derivatives divided by the total financial debt. The hedging's weighted average maturity is 6.6 years. In the second half of 2022 and early 2023, Aedifica contracted additional interest rate swaps to strengthen the hedge ratio, which increased to 88.7% on 2 January 2023.

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.

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 2023 interest rates over the forecast rates would lead to an approx. additional €32.8 million interest expense for the year ending 31 December 2023. Taking into account the hedging instruments at present, the increase in interest expense would amount to just €4.1 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 Financial 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 Hoivatilat in January 2021, through the Swedish subsidiary). 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. A 10% change of the £/€ exchange rate has an impact of approx. €99.4 million on the fair value of the Group's investment properties located in the United Kingdom, approx. €5.7 million on the Group's annual rental income and approx. €2.8 million on the Group's net result. A 10% change of the SEK/€ exchange rate has an impact of approx. €7.9 million on the fair value of the Group's investment properties located in Sweden, approx. €0.4 million on the Group's annual rental income and approx. €0.2 million on the Group's net result.

Aedifica partly financed its UK portfolio by a bond issue in British pounds. The £180 million bond was issued in early 2021 through a private placement (£170 million with a maturity of 7 years and £10 million with a maturity of 12 years). In addition, £160 million of bank loans were drawn in July 2022. These bank loans, together with the aforementioned bond, form a partial natural hedge against exchange rate fluctuations on the balance sheet and limits the impact on the debt-to-assets ratio.

The Company applies an active hedging policy covering the £/€ 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

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.

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)
Alphen Raadhuisstraat ³	NL	Construction	In progress (forward funding)	5
Altadore	IE	Extension	In progress (forward funding)	1
Am Marktplatz	DE	Renovation	In progress (forward funding)	2
Am Parnasssturm	DE	Renovation	In progress (forward funding)	4
Am Stadtspark	DE	Renovation	In progress (forward funding)	7
Bavaria Senioren- und Pflegeheim	DE	Renovation	In progress (forward funding)	1
Biddenham St James	UK	Acquisition	Project/forward purchase subject to outstanding conditions	15
Bois de la Pierre	BE	Renovation & extension	In progress (forward funding)	3
Burlington projects	UK	Renovation	In progress (forward funding)	2
Clondalkin Nursing Home	IE	Acquisition	Project/forward purchase subject to outstanding conditions	38
Dawlish	UK	Acquisition	Project/forward purchase subject to outstanding conditions	15
Dublin Stepaside	IE	Construction	In progress (forward funding)	26
Dunshaughlin Business Park	IE	Construction	In progress (forward funding)	19
Finland – pipeline 'childcare centres'	FI	Construction	In progress (forward funding)	31
Finland – pipeline 'elderly care homes'	FI	Construction	In progress (forward funding)	15
Finland – pipeline 'other'	FI	Construction	In progress (forward funding)	48
Fredenbeck	DE	Construction	In progress (forward funding)	13
Hamburg-Rissen	DE	Construction	In progress (forward funding)	13
Haus Marxloh	DE	Renovation & extension	In progress (forward funding)	4
Het Gouden Hart Almere ²	NL	Construction	In progress (forward funding)	7
HGH Amersfoort ¹	NL	Renovation & extension	In progress (forward funding)	1
Hooton Road	UK	Construction	Project/forward purchase subject to outstanding conditions	14
In de Gouden Jaren	BE	Renovation & extension	In progress (forward funding)	1
Miltza Gent	BE	Renovation & extension	In progress (forward funding)	19
Millbrook Manor	IE	Extension	In progress (forward funding)	4
Kilbarry Nursing Home	IE	Construction	In progress (forward funding)	14
Kilkenny Nursing Home	IE	Construction	In progress (forward funding)	14
Lavender Villa	UK	Renovation & extension	In progress (forward funding)	6
Land reserve	EU	Landreserve	Land reserve	4
Le Petit Bosquet	UK	Renovation & extension	In progress (forward funding)	3
Renovation project Orpea Brussels	BE	Renovation	Project/forward purchase subject to outstanding conditions	14
Residence Coestraete	NL	Construction	Project/forward purchase subject to outstanding conditions	5
Résidence le Douaire	BE	Acquisition	Project/forward purchase subject to outstanding conditions	17
Résidence Véronique	BE	Renovation & extension	In progress (forward funding)	10
Rosengarten	DE	Renovation & extension	In progress (forward funding)	10
Seniorenquartier Gera	DE	Construction	In progress (forward funding)	16
Seniorenquartier Gummersbach	DE	Construction	In progress (forward funding)	20
Seniorenquartier Langwedel ¹	DE	Construction	In progress (forward funding)	16
Seniorenquartier Sehnde	DE	Construction	In progress (forward funding)	12
Seniorenzentrum Berghof	DE	Renovation & extension	In progress (forward funding)	2
Seniorenzentrum Talblick	DE	Renovation & extension	In progress (forward funding)	1
Singö 10:2 & Bergshammar Ekeby 6:66	SE	Acquisition	Project/forward purchase subject to outstanding conditions	5
Sleaford Ashfield Road	UK	Construction	In progress (forward funding)	13
Sligo Finisklin Road	IE	Construction	In progress (forward funding)	16
Spaldrick House	UK	Acquisition	Project/forward purchase subject to outstanding conditions	11
St Mary's Lincoln	UK	Construction	In progress (forward funding)	13
St. Doolagh's	IE	Construction	In progress (forward funding)	17
St. Joseph's	UK	Renovation & extension	In progress (forward funding)	6
Stadtlohn	DE	Construction	In progress (forward funding)	15
Sweden – pipeline 2024	SE	Construction	In progress (forward funding)	23
Tiel Bladergroenstraat	NL	Construction	In progress (forward funding)	7
Tomares Miró	ES	Construction	In progress (forward funding)	12
Tramore Nursing Home ¹	IE	Construction	In progress (forward funding)	15
Uetze	DE	Construction	In progress (forward funding)	15
Villa Meirin	NL	Renovation & extension	In progress (forward funding)	7
Waarder Molendijk ³	NL	Construction	In progress (forward funding)	5
Whitby Castle Road	UK	Construction	In progress (forward funding)	18
York Bluebeck Drive	UK	Construction	In progress (forward funding)	15
TOTAL				671

1. This project has already been completed after 31 December 2022 (see Note 39).
2. This project is being 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.
3. This project is being developed within the joint venture with Dunavast-Sonneborgh, in which Aedifica holds a 75% stake.

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. 4% of total assets.

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

Aedifica benefits from warranties given by the sellers of shares in acquired property companies, such as integrity of the property, tax warranties, potential contingent consideration, etc. as contractually provided.

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 that typically amount to 3 to 6 months of rental income.

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 ¹ (in € million)	Acquisition date ²	Acquisition method
Seniorenhaus Lessingstrasse	DE	9	01/02/2022	Acquisition of a building
Dublin Crumlin	IE	5	16/03/2022	Acquisition of a plot of land
Rawdon Green Lane	UK	6	24/03/2022	Acquisition of a plot of land
Northampton Thompson Way	UK	6	24/03/2022	Acquisition of a plot of land
Lavender Villa	UK	4	01/04/2022	Acquisition of a building and project
Crovan Court	UK	6	01/04/2022	Acquisition of a building
Le Petit Bosquet	UK	5	01/04/2022	Acquisition of a building and project
St. Joseph's	UK	28	01/04/2022	Acquisition of a building and project
Les Charrières	UK	11	01/04/2022	Acquisition of a building
Oosterbeek Warm Hart	NL	5	01/04/2022	Acquisition of a plot of land
Borggård 1:553	SE	3	01/04/2022	Acquisition of a building
Duleek Nursing Home	IE	18	01/04/2022	Acquisition of a building
Riverstick Nursing Home	IE	14	01/04/2022	Acquisition of a building
Craddock House Nursing Home	IE	12	17/05/2022	Acquisition of a building
Résidence Véronique	BE	11	17/05/2022	Acquisition of a building
CosMed Kliniek	NL	7	25/05/2022	Acquisition of a building
Creggan Bahn Court	UK	10	20/06/2022	Acquisition of a building
An der Therme	DE	8	29/06/2022	Acquisition of a building
Koy Oulun Riistakuja	FI	11	01/08/2022	Acquisition of a building
Militza Brugge	BE	33	06/07/2022	Acquisition of a building
Militza Gent	BE	16	06/07/2022	Acquisition of a building
Het Gouden Hart Almere	NL	2	06/07/2022	Acquisition of a plot of land
Loughshinny Nursing Home	IE	28	19/08/2022	Acquisition of a building
Northwood Nursing Home	IE	27	19/08/2022	Acquisition of a building
Beaumont Lodge	IE	74	19/08/2022	Acquisition of a building
Dundalk Nursing Home	IE	20	16/09/2022	Acquisition of a building
Marston Moretaine Gee View	UK	17	23/09/2022	Acquisition of a building and project
Sligo Finisklin Road	IE	1	28/09/2022	Acquisition of a building
St Mary's Riverside	UK	14	05/10/2022	Acquisition of a building and project
TOTAL		410		

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

2. and consolidation date in the financial statements.

All these operations are detailed in section 1.1.1 of the 'Financial performance' chapter.

The main disposals of the financial year are the following:

DISPOSALS	Country	Selling price (in € million)	Disposal date
Koy Oulun Rakkaventie (1. building)	Finland	2.1	28/01/2022
Koy Oulun Rakkaventie (2. building)	Finland	2.1	28/01/2022
Koy Ylöjärven Mustarastaantie (1. building)	Finland	2.7	28/01/2022
Koy Ylöjärven Mustarastaantie (2. building)	Finland	2.3	28/01/2022
Koy Oulun Kehätie	Finland	5.0	28/01/2022
Koy Porin Palokärentie	Finland	3.0	28/01/2022
Koy Sipoon Satotalmantie	Finland	1.7	28/01/2022
Koy Kouvolan Pappilantie	Finland	1.9	28/01/2022
Koy Vihdin Pengerkuja	Finland	2.3	28/01/2022
Koy Joutsenon Päiväkoti	Finland	2.2	28/01/2022
Koy Siilinjärvi Honkarannantie	Finland	3.4	28/01/2022
Athorpe Lodge and The Glades	United Kingdom	4.5	22/04/2022
Logis de Famenne - Boule de Cristal	Belgium	2.3	27/04/2022
TOTAL		35.5	

Note 39: Post-closing events

The table below lists all post-balance sheet events (see also section 1.1.2 'of the 'Financial performance' chapter) up to and including 15 March 2023, the closing date of this report.

NAME	Date	Transaction	Country	Location
HGH Amersfoort	01/01/2023	Completion of a renovation project	NL	Amersfoort
Espoo Kuurinkallio	16/01/2023	Announcement of a new development project	FI	Espoo
Tramore Nursing Home	20/01/2023	Completion of a development project	IE	Tramore
Kuopio Torpankatu	25/01/2023	Announcement of a new development project	FI	Kuopio
Nokia Tähtisumunkatu	26/01/2023	Announcement of a new development project	FI	Nokia
Sotkamo Härkökivenkatu	27/01/2023	Announcement of a new development project	FI	Sotkamo
Rovaniemi Rakkavientie	28/02/2023	Completion of a development project	FI	Rovaniemi
Salo Linnankoskentie	07/03/2023	Announcement of a new development project	FI	Salo
Seniorenquartier Langwedel	10/03/2023	Completion of a development project	DE	Langwedel
Valkeakoski Juusontie	15/03/2023	Completion of a development project	FI	Valkeakoski

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.

As from the 2021 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 ¹	Subsidiary	0879.109.317	100
Immobe NV	Belgium	Associate	0697.566.095	25 ¹²
J.R.C.I. NV	Belgium	Subsidiary	0423.771.620	100
Mélot BV	Belgium	Subsidiary	0431.837.466	100
Aedifica Residenzen 1 GmbH & Co. KG	Germany ²	Subsidiary	HRB112641	94 ¹³
Aedifica Residenzen 2 GmbH °°	Germany	Subsidiary	HRB115795	94 ¹³
Aedifica Residenzen 3 GmbH °°	Germany	Subsidiary	HRB118227	94 ¹³
Aedifica Residenzen 4 GmbH	Germany	Subsidiary	HRB121918	94 ¹³
Aedifica Residenzen 5 GmbH	Germany	Subsidiary	HRB36193	94 ¹³
Aedifica Residenzen 6 GmbH	Germany	Subsidiary	HRB33909	94 ¹³
Aedifica Residenzen Nord GmbH & Co. KG	Germany	Subsidiary	HRB110850	94 ¹³
Aedifica Residenzen West GmbH	Germany	Subsidiary	HRB117957	94 ¹³
Aedifica Verwaltungs GmbH	Germany	Subsidiary	HRB111389	100
Aedifica Asset Management GmbH	Germany	Subsidiary	HRB100562	100
Aedifica Luxemburg I SCS	Luxembourg ³	Subsidiary	B128048	94 ¹³
Aedifica Luxemburg II SCS	Luxembourg	Subsidiary	B139725	94 ¹³
Aedifica Luxemburg III SCS	Luxembourg	Subsidiary	B143704	94 ¹³
Aedifica Luxemburg IV SCS	Luxembourg	Subsidiary	B117441	94 ¹³
Aedifica Luxemburg V SCS	Luxembourg	Subsidiary	B117445	94 ¹³
Aedifica Luxemburg VI SCS	Luxembourg	Subsidiary	B132154	94 ¹³
Aedifica Luxemburg VII SCS	Luxembourg	Subsidiary	B117438	94 ¹³
Aedifica Luxemburg VIII SCS	Luxembourg	Subsidiary	B117437	94 ¹³
Aedifica Nederland BV	Netherlands ⁴	Subsidiary	65422082	100
Aedifica Nederland 2 BV	Netherlands	Subsidiary	75102099	100
Aedifica Nederland Services BV	Netherlands	Subsidiary	75,667,800	100
Aedifica Nederland 3 BV	Netherlands	Subsidiary	77,636,309	100
Aedifica Nederland 4 BV	Netherlands	Subsidiary	81,056,664	100
Aedifica Nederland Joint Venture BV	Netherlands	Subsidiary	80,885,551	100
AK JV NL public partnership	Netherlands	Joint-venture	81,197,470	50 ¹⁴
Aedifica Sonneborgh Real Estate BV	Netherlands	Subsidiary	84,354,267	75 ¹⁵
Aedifica Sonneborgh Ontwikkeling BV	Netherlands	Associate	64,278,859	50 ¹⁴
CHAPP Holdings Limited	Jersey ⁵	Subsidiary	109,055	100
Patient Properties (Holdings) Limited	Jersey	Subsidiary	122,972	100
Patient Properties (Beech Court) Limited	Jersey	Subsidiary	123,678	100
Patient Properties (Springfields) Limited	Jersey	Subsidiary	123,687	100
Patient Properties (Fountains) Limited	Jersey	Subsidiary	123,683	100
Patient Properties (Knights Court) Limited	Jersey	Subsidiary	123,685	100

NAME	Country	Category	Register of corporations	Capital held (in %)
Patient Properties (Eltandia) Limited	Jersey	Subsidiary	123,682	100
Patient Properties (Windmill) Limited	Jersey	Subsidiary	123,699	100
Patient Properties (Brook House) Limited	Jersey	Subsidiary	123,680	100
LVL Holdings Limited	Jersey	Subsidiary	103,669	100
LV Charrieres Limited	Jersey	Subsidiary	133,548	100
LV St. Josephs Limited	Jersey	Subsidiary	129,910	100
Aedifica UK Limited	United Kingdom ⁶	Subsidiary	12,351,073	100
Aedifica Finance 1 Limited	United Kingdom	Subsidiary	12,352,308	100
Aedifica Finance 2 Limited	United Kingdom	Subsidiary	12,352,800	100
Maple Court Nursing Home Limited	United Kingdom	Subsidiary	07295828	100
Quercus Homes 2018 Limited	United Kingdom	Subsidiary	11278772	100
Sapphire Properties (2016) Limited	United Kingdom	Subsidiary	'09461514	100
Aedifica UK (Ampthill) Limited	United Kingdom	Subsidiary	11159774	100
Aedifica UK (Hailsham) Limited	United Kingdom	Subsidiary	11159930	100
Marches Care Holdings Limited	United Kingdom	Subsidiary	7097091	100
Priesty Fields Developments Limited	United Kingdom	Subsidiary	10806474	100
Aedifica Management Limited	United Kingdom	Subsidiary	4797971	100
Aedifica UK (Marston) Limited	United Kingdom	Subsidiary	13,816,311	100
Aedifica UK (Hessle) Limited	United Kingdom	Subsidiary	10,674,329	100
Aedifica UK (Lincoln) Limited	United Kingdom	Subsidiary	13,449,716	100
MMCG 2 DEVCO 2 Limited	United Kingdom (JO) ⁷	Associate	13,483,857	25+1 ¹²
MMCG 2 DEVCO 3 Limited	United Kingdom (JO)	Associate	13,483,907	25+1 ¹²
Aureit Holding Oy	Finland ⁸	Subsidiary	3092783-5	100
Hoivatilat Oyj	Finland	Subsidiary	2241238-0	100
As Oy Seinäjoen Saga	Finland	Subsidiary	2779544-8	100
As Oy Oulun Vaaranpiha	Finland	Subsidiary	3146139-5	100
Koy Äänekosken Äänenieminentie 22	Finland	Subsidiary	3264862-9	100
Koy Äänekosken Likolahdenkatu	Finland	Subsidiary	2875205-2	100
Koy Espoon Falläkerinrinne	Finland	Subsidiary	2620688-3	100
Koy Espoon Hirvisuontie	Finland	Subsidiary	3134900-2	100
Koy Espoon Kurttilantie	Finland	Subsidiary	3201659-2	100
Koy Espoon Kuurinkallio	Finland	Subsidiary	3117665-8	100
Koy Espoon Matinkartanontie	Finland	Subsidiary	2720369-2	100
Koy Espoon Merivitiantie	Finland	Subsidiary	2787263-4	100
Koy Espoon Oppilaantie	Finland	Subsidiary	3194972-9	100
Koy Espoon Rajamännynahde	Finland	Subsidiary	2669018-5	100
Koy Espoon Tikasmäentie	Finland	Subsidiary	2748087-6	100
Koy Espoon Vuoripirtintie	Finland	Subsidiary	2842931-9	100
Koy Euran Käräjämäentie	Finland	Subsidiary	2668724-2	100
Koy Hakalahden Majakka	Finland	Subsidiary	3175924-7	100
Koy Hämeenlinna Kampuskaarre	Finland	Subsidiary	2826099-8	100
Koy Hämeenlinnan Jukolanraitti	Finland	Subsidiary	3267462-4	100
Koy Hämeenlinnan Ruununmallyntie	Finland	Subsidiary	2669024-9	100
Koy Hämeenlinnan Vanha Alikartanontie	Finland	Subsidiary	2988685-3	100
Koy Haminan Lepikönranta	Finland	Subsidiary	2752188-5	100
Koy Heinolan Lähteentie	Finland	Subsidiary	3220641-7	100
Koy Helsingin Ensikointintie 4	Finland	Subsidiary	3214270-8	100
Koy Helsingin Kansantie	Finland	Subsidiary	3287010-7	100
Koy Helsingin Käräjätuvantie	Finland	Subsidiary	3323987-8	100
Koy Helsingin Krämertintie	Finland	Subsidiary	3287009-4	100
Koy Helsingin Kutomokuja	Finland	Subsidiary	3270229-4	100
Koy Helsingin Lähdepolku	Finland	Subsidiary	3270229-3	100
Koy Helsingin Landbonitie	Finland	Subsidiary	3270229-3	100
Koy Helsingin Pakarituvantie	Finland	Subsidiary	3131782-8	100
Koy Helsingin Radiokatu	Finland	Subsidiary	3270230-6	100
Koy Helsingin Työnjohtajankadun Seppä 3	Finland	Subsidiary	3009977-7	100
Koy Hollolan Sarkatie	Finland	Subsidiary	2749865-4	100
Koy Iisalmen Eteläinen Puistoraitti	Finland	Subsidiary	2840090-3	100
Koy Iisalmen Kangaslaammintie	Finland	Subsidiary	2826102-6	100
Koy Iisalmen Petter Kumpulaisentie	Finland	Subsidiary	2882785-1	100
Koy Iisalmen Satamakatu	Finland	Subsidiary	3005776-1	100
Koy Iisalmen Vemmelkuja	Finland	Subsidiary	2917923-5	100
Koy Janakkalan Kekanahontie	Finland	Subsidiary	2911674-4	100
Koy Järvenpäään Auertie	Finland	Subsidiary	3279405-2	100
Koy Järvenpäään Yliopettajankatu	Finland	Subsidiary	2774063-1	100
Koy Jyväskylän Ailakinkatu	Finland	Subsidiary	2932895-8	100
Koy Jyväskylän Haperontie	Finland	Subsidiary	2763296-4	100

NAME	Country	Category	Register of corporations	Capital held (in %)
Koy Jyväskylän Harjutie	Finland	Subsidiary	3172893-4	100
Koy Jyväskylän Haukankaari	Finland	Subsidiary	3174128-2	100
Koy Jyväskylän Mannisenmäentie	Finland	Subsidiary	2816983-6	100
Koy Jyväskylän Martikaisentie	Finland	Subsidiary	2575556-5	100
Koy Jyväskylän Palstatie	Finland	Subsidiary	2923254-2	100
Koy Jyväskylän Sulkulantie	Finland	Subsidiary	2850306-4	100
Koy Jyväskylän Väliharjuntie	Finland	Subsidiary	2639227-6	100
Koy Jyväskylän Vävypojanpolku	Finland	Subsidiary	2960547-6	100
Koy Kaarinan Nurminiitynkatu	Finland	Subsidiary	2838030-8	100
Koy Kajaanin Erätie	Finland	Subsidiary	2749663-2	100
Koy Kajaanin Hoikankatu	Finland	Subsidiary	2951667-6	100
Koy Kajaanin Menninkäisentie	Finland	Subsidiary	2681416-8	100
Koy Kajaanin Uitontie	Finland	Subsidiary	3164208-1	100
Koy Kajaanin Valonkatu	Finland	Subsidiary	2870293-6	100
Koy Kalajoen Hannilantie	Finland	Subsidiary	2768549-2	100
Koy Kangasalan Hilmanhovi	Finland	Subsidiary	2262908-8	100
Koy Kangasalan Mäntyveräjäntie	Finland	Subsidiary	2688361-4	100
Koy Kangasalan Rekiäläntie	Finland	Subsidiary	2940754-1	100
Koy Kaskisten Bladintie	Finland	Subsidiary	2224949-9	100
Koy Kempeleen Ihmemaantie	Finland	Subsidiary	3112115-5	100
Koy Keravan Lehmuskatu	Finland	Subsidiary	3256470-8	100
Koy Keravan Männiköntie	Finland	Subsidiary	2774061-5	100
Koy Keuruun Tehtaantie	Finland	Subsidiary	2877302-1	100
Koy Kirkkonummen Kotitonttukuja	Finland	Subsidiary	2692080-9	100
Koy Kokkolan Ankkurikuja	Finland	Subsidiary	2955766-2	100
Koy Kokkolan Kaarlelankatu 68	Finland	Subsidiary	2668743-7	100
Koy Kokkolan Vanha Ouluntie	Finland	Subsidiary	2771913-8	100
Koy Kontiolahden Päiväperhosenkatu	Finland	Subsidiary	3115519-5	100
Koy Kotkan Loitsutie	Finland	Subsidiary	2795792-9	100
Koy Kotkan Metsäkulmankatu 21	Finland	Subsidiary	2225111-8	100
Koy Kotkan Särmääjärinkatu 6	Finland	Subsidiary	3169793-9	100
Koy Kouvolan Kaartokuja	Finland	Subsidiary	2697590-6	100
Koy Kouvolan Rannikkotie	Finland	Subsidiary	2941695-8	100
Koy Kouvolan Ruskeasuonkatu	Finland	Subsidiary	2955751-5	100
Koy Kouvolan Vainiolankuja	Finland	Subsidiary	3134903-7	100
Koy Kouvolan Vinttikaivontie	Finland	Subsidiary	2543325-9	100
Koy Kuopion Amerikanraitti 10	Finland	Subsidiary	2837113-7	100
Koy Kuopion Männistökkönenkatu	Finland	Subsidiary	3127190-3	100
Koy Kuopion Opistokuja 3	Finland	Subsidiary	3176660-7	100
Koy Kuopion Pirtinkäari	Finland	Subsidiary	2873993-1	100
Koy Kuopion Portti A2	Finland	Subsidiary	2874104-6	100
Koy Kuopion Rantaraitti	Finland	Subsidiary	2770280-3	100
Koy Kuopion Sipulikatu	Finland	Subsidiary	2509836-6	100
Koy Lahden Jahtikatu	Finland	Subsidiary	2861249-8	100
Koy Lahden Kurenniityntie	Finland	Subsidiary	3008794-4	100
Koy Lahden Makarantie	Finland	Subsidiary	2988683-7	100
Koy Lahden Piisamikatu	Finland	Subsidiary	2861251-9	100
Koy Lahden Vallesmanninkatu A	Finland	Subsidiary	2675831-1	100
Koy Lahden Vallesmanninkatu B	Finland	Subsidiary	2675827-4	100
Koy Laihian Jarrumiehentie	Finland	Subsidiary	2798400-3	100
Koy Lappeenrannan Orioninkatu	Finland	Subsidiary	2877591-6	100
Koy Laukaan Hytösenkuja	Finland	Subsidiary	2681456-3	100
Koy Laukaan Peurungantie	Finland	Subsidiary	2821700-9	100
Koy Laukaan Saratie	Finland	Subsidiary	2896187-4	100
Koy Lempäälän Tampereentie	Finland	Subsidiary	3266246-3	100
Koy Limingen Kauppakaari	Finland	Subsidiary	2553773-6	100
Koy Limingen Saunarannantie	Finland	Subsidiary	3267223-1	100
Koy Lohjan Ansatie	Finland	Subsidiary	2768296-1	100
Koy Lohjan Porapojankuja	Finland	Subsidiary	3130512-2	100
Koy Lohjan Sahapiha	Finland	Subsidiary	3132701-4	100
Koy Loimaan Itsenäisyysdenkatu	Finland	Subsidiary	2887703-1	100
Koy Lovisan Mannerheiminkatu	Finland	Subsidiary	2648698-5	100
Koy Mäntsälän Liedontie	Finland	Subsidiary	2505670-5	100
Koy Mäntyharjun Lääkärinkuja	Finland	Subsidiary	2761813-4	100
Koy Maskun Ruskontie	Finland	Subsidiary	2610017-3	100
Koy Mikkelin Kastanjakuja	Finland	Subsidiary	2915481-2	100
Koy Mikkelin Sahalantie	Finland	Subsidiary	3004499-5	100

NAME	Country	Category	Register of corporations	Capital held (in %)
Koy Mikkelin Vääänäsenpolku	Finland	Subsidiary	2864738-3	100
Koy Mikkelin Ylännetie 10	Finland	Subsidiary	2751792-3	100
Koy Mikkelin Ylännetie 8	Finland	Subsidiary	2839320-5	100
Koy Mynämäen Opintie	Finland	Subsidiary	2957425-1	100
Koy Nokian Kivimiehenkatu	Finland	Subsidiary	1056103-9	100
Koy Nokian Luhtatie	Finland	Subsidiary	2882228-4	100
Koy Nokian Näsiäkatu	Finland	Subsidiary	2772561-8	100
Koy Nokian Viikkulankatu	Finland	Subsidiary	2720339-3	100
Koy Nurmijärven Laidunalue	Finland	Subsidiary	2415548-8	100
Koy Nurmijärven Luhtavillantie	Finland	Subsidiary	3202629-9	100
Koy Nurmijärven Ratakuja	Finland	Subsidiary	2807462-6	100
Koy Orimattilan Suppulanpolku	Finland	Subsidiary	2750819-7	100
Koy Oulun Isopurjeentie	Finland	Subsidiary	2255743-2	100
Koy Oulun Jahtivoudintie	Finland	Subsidiary	2759228-8	100
Koy Oulun Juhlamarssi	Finland	Subsidiary	3217953-5	100
Koy Oulun Paulareitti	Finland	Subsidiary	2512290-1	100
Koy Oulun Raamipolku	Finland	Subsidiary	2798361-7	100
Koy Oulun Ruismetsä	Finland	Subsidiary	3008792-8	100
Koy Oulun Salonpään koulu	Finland	Subsidiary	3100847-8	100
Koy Oulun Sarvisuontie	Finland	Subsidiary	2899591-9	100
Koy Oulun Siilitie	Finland	Subsidiary	3006511-2	100
Koy Oulun Siilitie K21 A	Finland	Subsidiary	3311639-2	100
Koy Oulun Siilitie K21 B	Finland	Subsidiary	3311641-3	100
Koy Oulun Siilitie K21 C	Finland	Subsidiary	3311642-1	100
Koy Oulun Soittajanlenki	Finland	Subsidiary	2920514-9	100
Koy Oulun Tahtimarssi	Finland	Subsidiary	3331416-1	100
Koy Oulun Ukkoherrantie A	Finland	Subsidiary	3141465-2	100
Koy Oulun Ukkoherrantie B	Finland	Subsidiary	2781801-3	100
Koy Oulun Upseerinkatu	Finland	Subsidiary	3302679-2	100
Koy Oulun Valjastie	Finland	Subsidiary	3139840-2	100
Koy Oulun Villa Sulkakuja	Finland	Subsidiary	2695880-7	100
Koy Oulunsalon Vihannestie	Finland	Subsidiary	3127183-1	100
Koy Paimion Mäkiläntie	Finland	Subsidiary	2853714-1	100
Koy Pateniemenranta	Finland	Subsidiary	2930852-7	100
Koy Pieksämäen Ruustinnantie	Finland	Subsidiary	2903250-8	100
Koy Pihtiputaan Nurmelanpolku	Finland	Subsidiary	2860057-7	100
Koy Pirkkalan Lehtimäentie	Finland	Subsidiary	2593596-1	100
Koy Pirkkalan Perensaarentie	Finland	Subsidiary	2808085-8	100
Koy Porin Kerhotie	Finland	Subsidiary	3145625-4	100
Koy Porin Koekatu	Finland	Subsidiary	2835076-6	100
Koy Porin Ojantie	Finland	Subsidiary	2625961-9	100
Koy Porvoon Fredrika Runebergin katu	Finland	Subsidiary	2760328-2	100
Koy Porvoon Haarapääskytie	Finland	Subsidiary	2951666-8	100
Koy Porvoon Peippolankuja	Finland	Subsidiary	2588814-9	100
Koy Porvoon Vanha Kuninkaantie	Finland	Subsidiary	2746305-6	100
Koy Raahे Kirkkokatu	Finland	Subsidiary	3143874-2	100
Koy Raahen Palokunnanhovi	Finland	Subsidiary	2326426-0	100
Koy Raahen Vihastenkarinkatu	Finland	Subsidiary	2917887-3	100
Koy Raision Tenavakatu	Finland	Subsidiary	2553772-8	100
Koy Riihimäen Jyrätie	Finland	Subsidiary	2956737-7	100
Koy Rovaniemen Gardininkuja	Finland	Subsidiary	3100848-6	100
Koy Rovaniemen Mäkiranta	Finland	Subsidiary	2994385-4	100
Koy Rovaniemen Matkavaarantie	Finland	Subsidiary	2838821-1	100
Koy Rovaniemen Muonakuja	Finland	Subsidiary	3110312-5	100
Koy Rovaniemen Rakkakiventie	Finland	Subsidiary	2865638-6	100
Koy Rovaniemen Ritarinne	Finland	Subsidiary	2754616-9	100
Koy Rovaniemen Santamäentie	Finland	Subsidiary	3008789-9	100
Koy Ruskon Päälistönmäentie	Finland	Subsidiary	2789540-6	100
Koy Salon Papinkuja	Finland	Subsidiary	3155224-6	100
Koy Sastamalan Tyrväänkyläntie	Finland	Subsidiary	2872995-2	100
Koy Siilinjärven Nilsiäntie	Finland	Subsidiary	2934834-2	100
Koy Siilinjärven Risulantie	Finland	Subsidiary	2854061-5	100
Koy Siilinjärven Sinisiipi	Finland	Subsidiary	2479104-6	100
Koy Sipoon Aarrepuistonkuja	Finland	Subsidiary	2878144-3	100
Koy Sipoon Aarretie	Finland	Subsidiary	2870619-5	100
Koy Sotkamon Kirkkotie	Finland	Subsidiary	2917890-2	100
Koy Tampereen Haiharansuu	Finland	Subsidiary	3192647-1	100

NAME	Country	Category	Register of corporations	Capital held (in %)
Koy Tampereen Lentävänniemenkatu	Finland	Subsidiary	2648697-7	100
Koy Tampereen Sisunaukio	Finland	Subsidiary	2355346-8	100
Koy Tampereen Teräskatu	Finland	Subsidiary	3284989-3	100
Koy Teuvan Tuokkolantie	Finland	Subsidiary	2225109-7	100
Koy Tornion Torpin Rinnakkaiskatu	Finland	Subsidiary	2816984-4	100
Koy Turun Lemmontie	Finland	Subsidiary	2551472-9	100
Koy Turun Lukkosepänkatu	Finland	Subsidiary	2842686-3	100
Koy Turun Malin Trällinkuja	Finland	Subsidiary	3171440-1	100
Koy Turun Paltankatu (care home)	Finland	Subsidiary	2845199-7	100
Koy Turun Teollisuuskatu	Finland	Subsidiary	2729980-7	100
Koy Turun Vähäheikkiläntie	Finland	Subsidiary	2660277-1	100
Koy Turun Vakiniituntie	Finland	Subsidiary	2648689-7	100
Koy Tuusulan Isokarhunkierto	Finland	Subsidiary	3005414-9	100
Koy Tuusulan Temmontie	Finland	Subsidiary	3325587-8	100
Koy Ulvilan Kulmalantie	Finland	Subsidiary	2966954-1	100
Koy Uudenkaupungin Merilinnuntie	Finland	Subsidiary	2878831-1	100
Koy Uudenkaupungin Merimetsopolku B	Finland	Subsidiary	2798800-4	100
Koy Uudenkaupungin Merimetsopolku C	Finland	Subsidiary	2797654-8	100
Koy Uudenkaupungin Puusepänkatu	Finland	Subsidiary	2766340-2	100
Koy Vaasan Mäkikavontie	Finland	Subsidiary	1743075-2	100
Koy Vaasan Tehokatu	Finland	Subsidiary	2246849-9	100
Koy Vaasan Uusmetsäntie	Finland	Subsidiary	3000725-4	100
Koy Vaasan Vanhan Vaasankatu	Finland	Subsidiary	2882784-3	100
Koy Valkeakosken Juusontie	Finland	Subsidiary	3244769-1	100
Koy Vantaan Asolantie (care home)	Finland	Subsidiary	2319120-9	100
Koy Vantaan Haravakuja	Finland	Subsidiary	3331473-5	100
Koy Vantaan Koetilankatu	Finland	Subsidiary	2656382-1	100
Koy Vantaan Koivukylän Puistotie	Finland	Subsidiary	2933844-3	100
Koy Vantaan Mesikukantie	Finland	Subsidiary	2755333-4	100
Koy Vantaan Punakiventie	Finland	Subsidiary	2675834-6	100
Koy Vantaan Tuovintie	Finland	Subsidiary	2711240-8	100
Koy Vantaan Vuohirinne	Finland	Subsidiary	2691248-9	100
Koy Varkauden Kaura-ahontie	Finland	Subsidiary	2798803-9	100
Koy Varkauden Savontie	Finland	Subsidiary	2796607-5	100
Koy Vihdin Hiiidenrannantie	Finland	Subsidiary	2616455-6	100
Koy Vihdin Vanhan sepän tie	Finland	Subsidiary	2625959-8	100
Koy Ylivieskan Alpuumintie	Finland	Subsidiary	3004201-7	100
Koy Ylivieskan Mikontie 1	Finland	Subsidiary	2850860-7	100
Koy Ylivieskan Ratakatu 12	Finland	Subsidiary	2850859-4	100
Koy Ylöjärven Työväentalontie	Finland	Subsidiary	2690219-2	100
Majakka Kiinteistöt Oy	Finland	Subsidiary	2760856-9	100
Hoivatilat AB	Sweden ⁹	Subsidiary	559169-2461	100
Älmhult Kungskapsgatan AB	Sweden	Subsidiary	559149-1732	100
Enköping Hässlinge LSS boende AB	Sweden	Subsidiary	559152-2247	100
Fanna 24:19 AB (Enköping LSS)	Sweden	Subsidiary	559252-4788	100
Förskola Kalleberga AB	Sweden	Subsidiary	559204-7392	100
Förskola Mesta 6:56 AB	Sweden	Subsidiary	559195-0570	100
Grämunkehöga LSS Boende AB	Sweden	Subsidiary	559131-8877	100
Heby LSS boende AB	Sweden	Subsidiary	559073-5634	100
Hoivatilat Holding 2 AB	Sweden	Subsidiary	559204-7426	100
Hoivatilat Holding 3 AB	Sweden	Subsidiary	559296-1519	100
Hoivatilat Holding 4 AB	Sweden	Subsidiary	559301-4979	100
Hoivatilat Holding 5 AB	Sweden	Subsidiary	559318-8286	100
Hoivatilat Holding AB	Sweden	Subsidiary	559192-8311	100
Huddinge Svarviksvägen AB	Sweden	Subsidiary	559283-2595	100
Lhaolm Nyby LSS boende AB	Sweden	Subsidiary	559149-6335	100
Norrtälje Östhamra Förskola AB	Sweden	Subsidiary	559180-2078	100
Nyköping Anderbäck LSS boende AB	Sweden	Subsidiary	559150-0979	100
Nynäshamn Skola Sittesta AB	Sweden	Subsidiary	559087-5604	100
Örebro Hovsta Gryt LSS boende AB	Sweden	Subsidiary	559152-7147	100
Örebro Törsjö LSS boende AB	Sweden	Subsidiary	559163-1931	100
Oskarshamn Emmekalv LSS boende AB	Sweden	Subsidiary	559163-3788	100
Staffanstorp Borggård 1:553 AB	Sweden	Subsidiary	559376-5935	100
Startplattan 193647 AB (Trelleborg)	Sweden	Subsidiary	559376-5935	100
Startplattan 193648 AB (Proj 1 AB)	Sweden	Subsidiary	559376-5968	100
Startplattan 193649 AB (Uppsala Norby)	Sweden	Subsidiary	559937-5976	100
Strängnäs Bivägen AB	Sweden	Subsidiary	559232-8685	100

NAME	Country	Category	Register of corporations	Capital held (in %)
Tierp LSS Boende AB	Sweden	Subsidiary	559218-2876	100
Upplands Väsby Havregatan Förskola AB	Sweden	Subsidiary	559234-9079	100
Uppsala Almungeberg 1 LSS boende AB	Sweden	Subsidiary	559131-1468	100
Uppsala Almungeberg 2 LSS boende AB	Sweden	Subsidiary	559150-0938	100
Uppsala Bäling Lövsta 1 LSS boende AB	Sweden	Subsidiary	556908-5391	100
Uppsala Bäling Lövsta 2 LSS boende AB	Sweden	Subsidiary	556864-9460	100
Uppsala Sunnersta LSS boende AB	Sweden	Subsidiary	556900-2024	100
Vallentuna Västlunda LSS boende AB	Sweden	Subsidiary	559152-7139	100
Växjö LSS boende AB	Sweden	Subsidiary	559190-6267	100
Aedifica Ireland Limited	Ireland ¹⁰	Subsidiary	683,400	100
Prudent Capital Limited	Ireland	Subsidiary	562,309	100
JKP Nursing Home Limited	Ireland	Subsidiary	483,964	100
Solcrea Limited	Ireland	Subsidiary	614,470	100
Edge Fusion Limited	Ireland	Subsidiary	614,415	100
Enthree Limited	Ireland	Subsidiary	683,028	100
Millennial Generation Limited	Ireland	Subsidiary	607,665	100
Mallowville SL	Spain ¹¹	Subsidiary	B16839649	100
La Saleta Tomares SL	Spain	Subsidiary	B91643411	100

1. With the exception of Immobile NV (located Avenue Louise 331 in 1050 Brussels, Belgium), all Belgian companies are located Rue Belliard 40 box 11 in 1040 Brussels (Belgium).
2. All German companies are located Knesebeckstrasse 62/63, 10719 Berlin (Germany).
3. All Luxembourg companies are located rue Guillaume J. Kroll 12 C in 1882 Luxembourg (Luxembourg).
4. All Dutch companies are located Amstelplein 54, 1096 BC Amsterdam (Netherlands).
5. All Jersey companies are located 47 Esplanade in St. Helier JE1 0BD (Jersey).
6. All UK companies are located 13 Hanover Square, London, England, W1S 1HN (United Kingdom).
7. All UK JO companies are located Westcourt, Gelderd Road, Leeds, England, LS12 6DB (United Kingdom).
8. All Finnish companies are located Kasarmintie 21, 90130 Oulu (Finland).
9. All Swedish companies are located Svärdvägen 21, 18233 Danderyd (Sweden).
10. All Irish companies are located 29 Earlsfort Terrace, Dublin 2, Ireland D02 AY28 (Ireland).
11. Travessera de Gràcia 11, 5th fl., 08021 Barcelona (Spain).
12. The residual 75% is held by an investor who is unrelated to Aedifica.
13. The residual 6% is held by an investor who is unrelated to Aedifica.
14. The residual 50% is held by a partner who is unrelated to Aedifica.
15. The residual 25% is held by a partner who is unrelated to Aedifica.

Note 41: Belgian RREC status

(x €1,000)	31/12/2022	31/12/2021
Consolidated debt-to-assets ratio (max. 65%)		
Non-current financial debts	2,017,256	1,756,679
Other non-current financial liabilities (except for hedging instruments)	+ 78,374	62,828
Trade debts and other non-current debts	+ 375	500
Current financial debts	+ 435,164	324,398
Other current financial liabilities (except for hedging instruments)	+ 3,487	2,616
Trade debts and other current debts	+ 66,853	50,109
Total liabilities according to the Royal Decree of 13 July 2014	= 2,601,509	2,197,130
Total assets	6,085,540	5,161,867
Hedging instruments	- -123,219	-6,720
Total assets according to the Royal Decree of 13 July 2014	= 5,962,321	5,155,147
Debt-to-assets ratio (in %)		
Additional debt capacity - debt ratio at 60%	/ 975,884	895,958
Additional debt capacity - debt ratio at 65%	/ 1,274,000	1,153,716

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

At 31 December 2022, the largest group of assets operated by the same tenant represents 10% of the consolidated group assets and is operated by the Korian group.

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, Stadim BV/SRL, CBRE GmbH, Jones Lang LaSalle SE, Cushman & Wakefield Netherlands BV, CBRE Valuation & Advisory Services BV, Cushman & Wakefield Debenham Tie Leung Ltd, Jones Lang LaSalle Finland Oy, JLL Valuation AB, CBRE Unlimited Company and Jones Lang LaSalle España SA.

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)	Category	Level	Book value	Fair value	Book value	Fair value
Non-current assets						
Non-current financial assets			132,322	132,322	7,479	7,479
a. Hedges	C	2	123,219	123,219	6,720	6,720
b. Other	A	2	9,103	9,103	759	759
Equity-accounted investments	C	2	40,824	40,824	40,522	40,522
Current assets						
Trade receivables	A	2	23,577	23,577	20,434	20,434
Tax receivables and other current assets	A	2	10,273	10,273	7,368	7,368
Cash and cash equivalents	A	1	13,891	13,891	15,335	15,335
Non-current liabilities						
Non-current financial debts	A	2	-2,017,256	-1,811,083	-1,756,679	-1,747,144
Other non-current financial liabilities						
a. Authorised hedges	C	2	-3,858	-3,858	-33,326	-33,326
b. Other	A	2	-78,374	-78,374	-62,828	-62,828
Current liabilities						
Current financial debts	A	2	-435,164	-435,164	-324,398	-324,398
Trade debts and other current debts	A	2	-60,863	-60,863	-49,811	-49,811
Other current financial liabilities	A	2	-3,487	-3,487	-2,616	-2,616

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 Luxemburg I SCS, Aedifica Luxemburg II SCS, Aedifica Luxemburg III SCS, Aedifica Luxemburg IV SCS, Aedifica Luxemburg V SCS, Aedifica Luxemburg 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)	31/12/2022	31/12/2021
Marketable investment properties	5,365,071	4,651,161
+ Right of use of plots of land	70,335	57,947
+ Development projects	184,295	151,954
Investment properties	5,619,701	4,861,062
+ Assets classified as held for sale	84,033	35,360
Investment properties including assets classified as held for sale*, or real estate portfolio*	5,703,734	4,896,422
- Development projects	-184,295	-151,954
Marketable investment properties including assets classified as held for sale*, or investment properties portfolio	5,519,439	4,744,468

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.

(x €1,000)	01/01/2022 - 31/12/2022	01/01/2021 - 31/12/2021
Rental income	273,132	232,118
- Scope changes	-55,048	-22,846
= Rental income on a like-for-like basis*	218,084	209,272

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.

31/12/2022

(x €1,000)	BE	DE	NL	UK	FI	SE	IE	ES	Non-allocated	TOTAL
SEGMENT RESULT										
Rental income (a)	67,432	56,738	33,571	57,472	44,725	3,917	9,245	32	-	273,132
Net rental income (b)	67,080	56,369	32,884	57,324	44,695	3,914	9,245	32	-	271,543
Property result (c)	67,092	56,295	32,928	57,318	45,180	3,763	9,245	32	-	271,853
Property operating result (d)	66,448	54,745	30,883	55,359	42,624	3,435	9,107	32	-	262,633
OPERATING RESULT BEFORE RESULT ON PORTFOLIO (e)	66,448	54,745	30,883	55,359	42,624	3,435	9,107	32	-32,959	229,674
Operating margin* (d)/(b)										96.7%
EBIT margin* (e)/(b)										84.6%
Operating charges* (e)-(b)										41,869

31/12/2021

(x €1,000)	BE	DE	NL	UK	FI	SE	IE	ES	Non-allocated	TOTAL
SEGMENT RESULT										
Rental income (a)	62,548	44,971	30,429	49,911	39,797	1,958	2,504	-	-	232,118
Net rental income (b)	62,548	44,969	29,734	49,836	39,883	1,958	2,504	-	-	231,432
Property result (c)	62,562	44,866	29,142	49,937	39,613	1,911	2,504	-	-	230,535
Property operating result (d)	61,945	43,699	28,109	46,888	37,991	1,818	2,490	-	-	222,940
OPERATING RESULT BEFORE RESULT ON PORTFOLIO (e)	61,945	43,699	28,109	46,888	37,991	1,818	2,490	-	-29,613	193,327
Operating margin* (d)/(b)										96.3%
EBIT margin* (e)/(b)										83.5%
Operating charges* (e)-(b)										38,105

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)	31/12/2022	31/12/2021
XX. Financial income	1,606	843
XXI. Net interest charges	-30,651	-27,548
XXII. Other financial charges	-7,194	-5,457
Financial result excl. changes in fair value of financial instruments*	-36,239	-32,162

Note 44.5: Average cost of debt*

Aedifica uses average cost of debt* and average cost of debt* (incl. commitment fees) to reflect the costs of its financial debts; however, these performance measures are not defined under IFRS. They represent annualised net interest charges deducted by reinvoiced interests and IFRS 16 (and commitment fees) divided by weighted average financial debts.

(x €1,000)	31/12/2022	31/12/2021
Weighted average financial debts (a)	2,263,976	1,906,683
XXI. Net interest charges	-30,651	-27,548
Reinvoiced interests (incl. in XX. Financial income)	1,183	327
Interest cost related to leasing debts booked in accordance with IFRS 16	951	984
Annualised net interest charges (b)	-28,517	-26,237
Average cost of debt* (b)/(a)	1.3%	1.4%
Commitment fees (incl. in XXII. Other financial charges)	-3,437	-2,785
Annualised net interest charges (incl. commitment fees) (c)	-31,954	-29,022
Average cost of debt* (incl. commitment fees) (c)/(a)	1.4%	1.5%

Note 44.6: Interest cover ratio*

Aedifica uses the interest cover ratio* to measure its ability to meet interest payments obligations related to debt financing and should be at least equal to 2.0x. However, this performance measure is not defined under IFRS. The interest cover ratio* is calculated based on the definition set out in the prospectus of Aedifica's Sustainability Bond: 'Operating result before result on the portfolio' (lines I to XV of the consolidated income statement) divided by 'Net interest charges' (line XXI).

(x €1,000)	31/12/2022	31/12/2021
Operating result before result on portfolio	229,674	193,327
XXI. Net interest charges	-30,651	-27,548
The interest cover ratio	7.5	7.0

Note 44.7: 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)	31/12/2022	31/12/2021
Equity attributable to owners of the parent	3,282,785	2,781,171
- Effect of the distribution of the dividend 2021	0	-118,496
Sub-total excl. effect of the distribution of the dividend 2021	3,282,785	2,662,675
- Effect of the changes in fair value of hedging instruments	-118,908	27,317
Equity excl. changes in fair value of hedging instruments*	3,163,877	2,689,992

Note 44.8: 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 Group supplies its investors with most of the information recommended by EPRA (see also the 'Reporting according to EPRA standards' chapter of this Annual Financial Report on pages 208-221). The following indicators are considered APMs and are calculated in the aforementioned EPRA chapter:

- **EPRA Earnings*** represents the profit (attributable to owners of the Parent) after corrections recommended by the EPRA. 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 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.
- **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.
- **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.
- **EPRA Cost Ratio (including direct vacancy costs)*** and **EPRA Cost Ratio (excluding direct vacancy costs)*** represent aggregate operational costs as recommended by the EPRA.
- **EPRA LTV*** represents the percentage of debt compared to the appraised value of the properties.

2. Abridged Statutory Financial Statements

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.

The mandatory distribution in the REIT legislation only relates to the adjusted net result as shown in the REIT's statutory annual accounts (prepared in accordance with IFRS). The FSMA circular of 2 July 2020 allows various accounting options to recognise subsidiaries in the statutory accounts. Currently, Aedifica has opted for the 'at cost' model to account for its subsidiaries. This means that dividends are recognised in the statutory financial statements when the REIT's right to receive them is established (IAS 27.12). This implies that the dividends received are then included in the REIT's net income for the year and, consequently, in the distribution obligation.

Abridged Statutory Income Statement

Year ending on 31 December (x €1,000)	31/12/2022	31/12/2021
I. Rental income	98,417	85,482
II. Writeback of lease payments sold and discounted	0	0
III. Rental-related charges	-584	-1
Net rental income	97,833	85,481
IV. Recovery of property charges	0	0
V. Recovery of rental charges and taxes normally paid by tenants on let properties	1,613	1,158
VI. Costs payable by the tenant and borne by the landlord on rental damage and repair at end of lease	0	0
VII. Charges and taxes not recovered by the tenant on let properties	-1,635	-1,111
VIII. Other rental-related income and charges	31	-47
Property result	97,842	85,481
IX. Technical costs	-275	-163
X. Commercial costs	0	0
XI. Charges and taxes on unlet properties	-6	-2
XII. Property management costs	582	-95
XIII. Other property charges	0	0
Property charges	301	-260
Property operating result	98,143	85,221
XIV. Overheads	-18,840	-17,175
XV. Other operating income and charges	19	673
Operating result before result on portfolio	79,322	68,719
XVI. Gains and losses on disposals of investment properties	410	199
XVII. Gains and losses on disposals of other non-financial assets	1	0
XVIII. Changes in fair value of investment properties	44,256	32,487
XIX. Other result on portfolio	2,946	-2,239
Operating result	126,935	99,166
XX. Financial income	109,708	116,143
XXI. Net interest charges	-30,336	-25,505
XXII. Other financial charges	-8,772	-5,296
XXIII. Changes in fair value of financial assets and liabilities	121,058	14,621
Net finance costs	191,658	99,963
XXIV. Share in the profit or loss of associates and joint ventures accounted for using the equity method	-132	3,525
Profit before tax (loss)	318,461	202,654
XXV. Corporate tax and deferred taxes	-8,999	-4,359
XXVI. Exit tax	0	-121
Tax expense	-8,999	-4,480
Profit (loss)	309,462	198,174
Basic earnings per share (€)	8.12	5.70
Diluted earnings per share (€)	8.12	5.70

Abridged Statutory Statement of Comprehensive Income

Year ending on 31 December (x €1,000)	31/12/2022	31/12/2021
I. Profit (loss)	309,462	198,174
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	17,972	4,273
D. Currency translation differences linked to conversion of foreign activities	0	0
H. Other comprehensive income, net of taxes	3,688	6,179
Comprehensive income	331,122	208,626

Abridged Statutory Balance Sheet

ASSETS	31/12/2022	31/12/2021
Year ending on 31 December (x €1,000)		
I. Non-current assets		
A. Goodwill	0	0
B. Intangible assets	1,637	1,772
C. Investment properties	1,864,902	1,819,073
D. Other tangible assets	1,516	1,873
E. Non-current financial assets	3,009,314	2,166,278
F. Finance lease receivables	0	0
G. Trade receivables and other non-current assets	0	0
H. Deferred tax assets	2,028	1,071
Total non-current assets	4,879,397	3,990,067
II. Current assets		
A. Assets classified as held for sale	31,637	0
B. Current financial assets	0	0
C. Finance lease receivables	0	0
D. Trade receivables	12,538	11,024
E. Tax receivables and other current assets	437,399	466,381
F. Cash and cash equivalents	1,086	5,352
G. Deferred charges and accrued income	6,839	2,239
Total current assets	489,499	484,996
TOTAL ASSETS	5,368,896	4,475,063

EQUITY AND LIABILITIES		31/12/2022	31/12/2021
Year ending on 31 December (x €1,000)			
EQUITY			
A. Capital		1,006,881	917,101
B. Share premium account		1,516,108	1,301,002
C. Reserves		320,941	219,634
a. Legal reserve		0	0
b. Reserve for the balance of changes in fair value of investment properties		218,653	189,877
d. Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS		8,945	-12,784
e. Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting as defined under IFRS		-7,836	-23,820
f. Reserve of exchange differences relating to foreign currency monetary items		-444	70
g. Foreign currency translation reserves		0	0
h. Reserve for treasury shares		-31	0
j. Reserve for actuarial gains and losses of defined benefit pension plans		-99	0
k. Reserve for deferred taxes on investment properties located abroad		-7,361	-6,240
m. Other reserves		251	3,015
n. Result brought forward from previous years		99,804	63,622
o. Reserve- share NI & OCI of equity method invest		9,059	5,894
D. Profit (loss) of the year		309,462	198,174
TOTAL EQUITY		3,153,392	2,635,911
LIABILITIES			
I. Non-current liabilities			
A. Provisions		0	0
B. Non-current financial debts		1,747,809	1,480,304
a. Borrowings		970,952	683,147
c. Other		776,857	797,157
C. Other non-current financial liabilities		7,444	36,028
a. Authorised hedges		3,858	32,130
b. Other		3,586	3,898
D. Trade debts and other non-current debts		0	0
E. Other non-current liabilities		0	0
F. Deferred tax liabilities		17,370	9,929
Non-current liabilities		1,772,623	1,526,261
II. Current liabilities			
A. Provisions		0	0
B. Current financial debts		417,164	290,033
a. Borrowings		165,164	40,033
c. Other		252,000	250,000
C. Other current financial liabilities		561	606
D. Trade debts and other current debts		16,013	12,150
a. Exit tax		0	298
b. Other		16,013	11,852
E. Other current liabilities		0	0
F. Accrued charges and deferred income		9,143	10,102
Total current liabilities		442,881	312,891
TOTAL LIABILITIES		2,215,504	1,839,152
TOTAL EQUITY AND LIABILITIES		5,368,896	4,475,063

Abridged Statutory Statement of Changes in Equity

(x €1,000)	01/01/2021	Capital increase in cash	Capital increase in kind	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	31/12/2021
Capital	836,401	69,603	11,098	0	0	0	0	0	-1	917,101
Share premium account	1,054,109	211,714	35,179	0	0	0	0	0	0	1,301,002
Reserves	69,562	0	0	0	10,452	139,620	0	0	0	219,634
a. Legal reserve	0	0	0	0	0	0	0	0	0	0
b. Reserve for the balance of changes in fair value of investment properties	154,258	0	0	0	0	38,635	-3,015	0	0	189,877
d. Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS	-23,233	0	0	0	10,452	-3	0	0	0	-12,784
e. Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting as defined under IFRS	-22,964	0	0	0	0	-856	0	0	0	-23,820
f. Reserve of exchange differences relating to foreign currency monetary items	-4,746	0	0	0	0	4,816	0	0	0	70
g. Foreign currency translation reserves	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
j. Reserve for actuarial gains and losses of defined benefit pension plans	0	0	0	0	0	0	0	0	0	0
k. Reserve for deferred taxes on investment properties located abroad	-2,630	0	0	0	0	-3,611	0	0	1	-6,240
m. Other reserves	-1,806	0	0	0	0	1,806	3,015	0	-1	3,014
n. Result brought forward from previous years	-33,712	0	0	0	0	97,334	0	0	0	63,622
o. Reserve- share NI & OCI of equity method invest	4,395	0	0	0	0	1,499	0	0	0	5,894
Profit (loss)	186,801	0	0	0	198,174	-186,801	0	0	0	198,174
TOTAL EQUITY	2,146,873	281,317	46,277	0	208,626	-47,181	0	0	-1	2,635,911

(x €1,000)	01/01/2022	Capital increase in cash	Capital increase in kind	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	31/12/2022
Capital	917,101	74,131	15,649	0	0	0	0	0	0	1,006,881
Share premium account	1,301,002	177,291	37,816	0	0	0	0	0	-1	1,516,108
Reserves	219,634	0	0	-31	21,661	79,679	0	0	-1	320,941
<i>a. Legal reserve</i>	0	0	0	0	0	0	0	0	0	0
<i>b. Reserve for the balance of changes in fair value of investment properties</i>	189,877	0	0	0	0	29,026	-251	0	0	218,652
<i>d. Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS</i>	-12,784	0	0	0	21,760	-31	0	0	0	8,945
<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>	-23,820	0	0	0	0	15,984	0	0	0	-7,836
<i>f. Reserve of exchange differences relating to foreign currency monetary items</i>	70	0	0	0	0	-514	0	0	0	-444
<i>g. Foreign currency translation reserves</i>	0	0	0	0	0	0	0	0	0	0
<i>h. Reserve for treasury shares</i>	0	0	0	-31	0	0	0	0	0	-31
<i>j. Reserve for actuarial gains and losses of defined benefit pension plans</i>	0	0	0	0	-99	0	0	0	0	-99
<i>k. Reserve for deferred taxes on investment properties located abroad</i>	-6,240	0	0	0	0	-1,121	0	0	0	-7,361
<i>m. Other reserves</i>	3,014	0	0	0	0	-3,014	251	0	0	251
<i>n. Result brought forward from previous years</i>	63,622	0	0	0	0	36,184	0	0	-1	99,805
<i>o. Reserve- share NI & OCI of equity method invest</i>	5,894	0	0	0	0	3,165	0	0	0	9,059
Profit (loss)	198,174	0	0	0	309,462	-198,174	0	0	0	309,462
TOTAL EQUITY	2,635,911	251,422	53,465	-31	331,123	-118,495	0	0	-2	3,153,392

Abridged Statutory Appropriation Account

The main variation in result appropriation relates to the change in the fair value of financial instruments (see comments on corrected profit) and the increase in deferred taxes due to the higher increase in the fair value of German assets resulting in a higher tax liability.

PROPOSED APPROPRIATION Year ending on 31 December (x €1,000)	31/12/2022	31/12/2021
A. Profit (loss)	309,462	198,174
B. Transfer to/from the reserves	151,937	43,494
1. Transfer to/from the reserve of the (positive or negative) balance of changes in fair value of investment properties (-/+)	44,252	51,484
2. Transfer to/from the reserve of the estimated transaction costs resulting from hypothetical disposal of investment properties (-/+)	0	-22,458
3. Transfer to the reserve of the balance of the changes in fair value of authorised cash flow hedging instruments qualifying for hedge accounting (-)	0	-31
4. Transfer to the reserve of the balance of the changes in fair value of authorised cash flow hedging instruments qualifying for hedge accounting (+)	34	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 (-)	0	0
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 (+)	118,980	15,984
7. Transfer to/from the reserve of the balance of currency translation differences on monetary assets and liabilities (-/+)	-4,027	-514
8. Transfer to the reserve of the fiscal latencies related to investment properties abroad (-/+)	-6,485	-1,121
9. Transfer to the reserve of the received dividends aimed at the reimbursement of financial debts (-/+)	0	0
10. Transfer to/from other reserves (-/+)	-251	-3,015
11. Transfer to/from the result carried forward of the previous years (-/+)	0	0
12. Transfer to the reserve- share NI & OCI of equity method invest	-566	3,165
C. Remuneration of the capital provided in article 13, § 1, para. 1	123,830	111,079
D. Remuneration of the capital - other than C	17,333	7,417
Proposed remuneration of the capital (C + D)	141,163	118,496
Result to be carried forward	16,362	36,184
SHAREHOLDERS' EQUITY THAT CAN NOT BE DISTRIBUTED ACCORDING TO ARTICLE 7:212 OF THE BELGIAN COMPANIES AND ASSOCIATIONS CODE (x €1,000)	31/12/2022	31/12/2021
Paid-up capital or, if greater, subscribed capital (+)	1,006,881	917,101
Share premium account unavailable for distribution according to the Articles of Association (+)	565,068	1,301,002
Reserve for positive balance of changes in fair value of investment properties (+)	262,903	218,903
Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS (+/-)	8,979	-12,815
Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting as defined under IFRS (+/-)	111,144	-7,836
Reserve of the balance of currency translation differences on monetary assets and liabilities (+)	0	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	8,493	9,059
Legal reserve (+)	0	0
Shareholders' equity that cannot be distributed according to Article 7:212 of the Belgian Companies and Associations Code	1,963,468	2,425,414
Net asset	3,153,392	2,635,911
Interim dividend	0	0
Final dividend	-141,163	-118,496
Net asset after distribution	3,012,229	2,517,415
Headroom after distribution	1,048,761	92,001

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)	31/12/2022	31/12/2021
Profit (loss)	309,462	198,174
Depreciation	797	789
Write-downs	618	0
Other non-cash items	-111,395	-27,427
Gains and losses on disposals of investment properties	-410	-199
Changes in fair value of investment properties	-44,284	-32,487
Roundings	0	0
Corrected profit	154,788	138,850
Denominator ^o (in shares)	38,152,107	34,851,824
CORRECTED PROFIT PER SHARE^o (in € per share)	4.06	3.98
Interim dividend	0	0
Final dividend	141,163	118,496
Total proposed dividend	141,163	118,496
PAY-OUT RATIO (MIN. 80%)	91%	85%

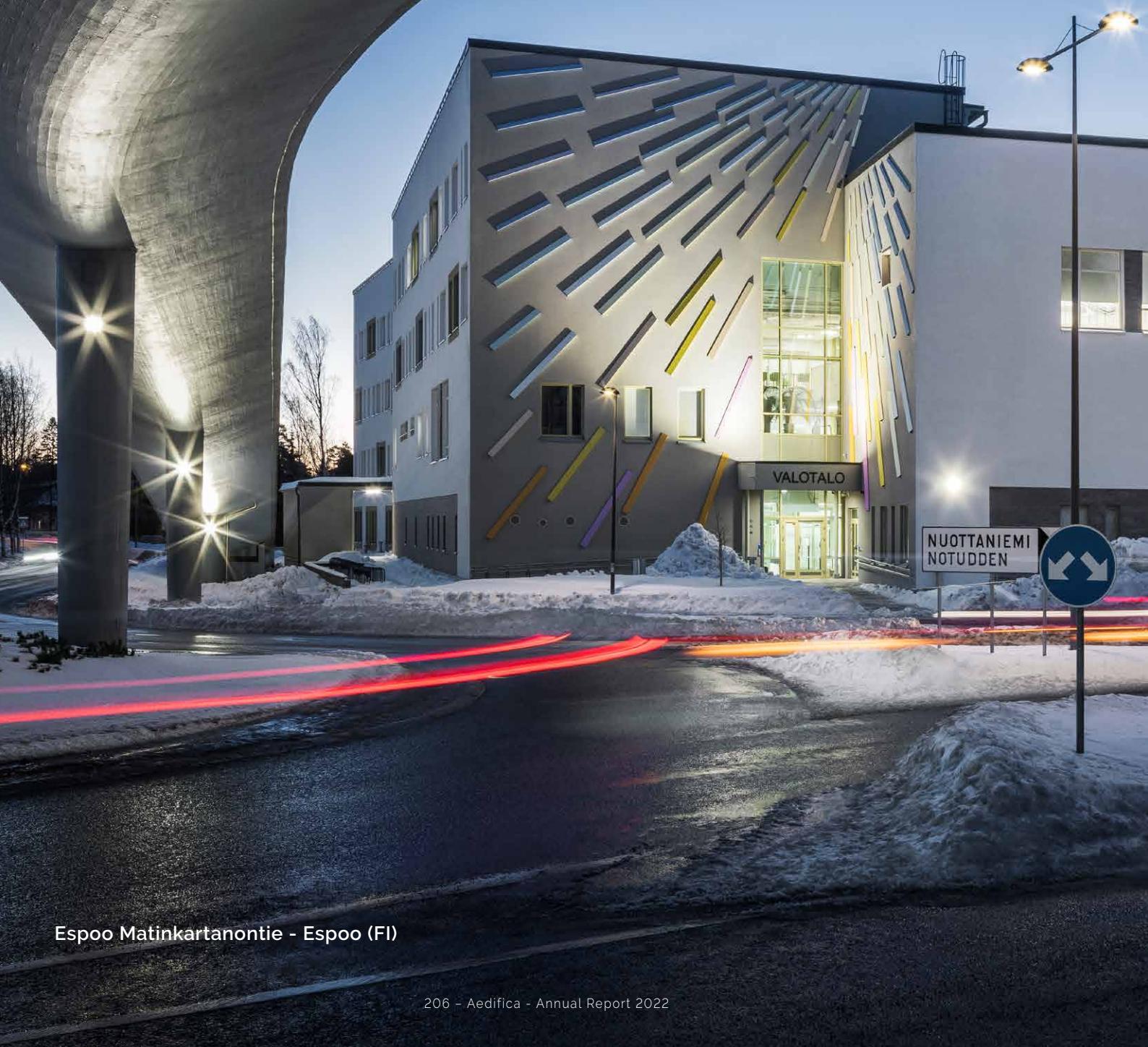
^o Based on the rights to the dividend for the shares issued during the year.

The main increase compared to last year's profit correction relates to other non-cash items, and more specifically to the positive fair value of financial instruments hedging variable interest rate risk. Due to the increase in interest rates, the value of those instruments increased significantly in 2022.

Abridged statutory statement of changes in equity after appropriation of the year's result

(x €1,000)	Equity as per 31/12/2022	Proposed result's appropriation	Equity as per 31/12/2022 after proposed result's appropriation
Capital	1,006,881	0	1,006,881
Share premium account	1,516,108	0	1,516,108
Reserves	320,941	309,462	630,403
a. Legal reserve	0	0	0
b. Reserve for the balance of changes in fair value of investment properties	218,652	44,252	262,904
d. Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS	8,945	34	8,979
e. Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting as defined under IFRS	-7,836	118,980	111,144
f. Reserve of exchange differences relating to foreign currency monetary items	-444	-4,027	-4,471
g. Foreign currency translation reserves	0	0	0
h. Reserve for treasury shares	-31	0	-31
j. Reserve for actuarial gains and losses of defined benefit pension plans	-99	0	-99
k. Reserve for deferred taxes on investment properties located abroad	-7,361	-6,485	-13,846
m. Other reserves	251	-251	0
n. Result brought forward from previous years	99,805	157,525	257,330
o. Reserve- share NI & OCI of equity method invest	9,059	-566	8,493
Profit (loss)	309,462	-309,462	0
TOTAL EQUITY	3,153,392	0	3,153,392

Additional information



Espoo Matinkartanontie - Espoo (FI)

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1. Reporting according to EPRA BPR standards



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 2022, Aedifica is included in the EPRA Europe index with a weight of approx. 1.8% and in the EPRA Belgium index with a weight of approx. 19.8%.

In September 2022, Aedifica received an 8th consecutive 'EPRA BPR Gold Award' for its Annual Financial Report (financial year 2021), thus remaining in the leading group of European companies evaluated by EPRA.

1.1 EPRA key performance indicators

		31/12/2022	31/12/2021
EPRA Earnings*	Earnings from operational activities. The EPRA Earnings* represents the profit (attributable to owners of the Parent) after corrections recommended by the EPRA.	x €1,000 € / share	181,386 4.76
EPRA Net Reinstatement Value*	Net Asset Value adjusted in accordance with the Best Practice Recommendations (BPR) Guidelines published by EPRA in October 2019 for application as from 1st January 2020. EPRA NRV* assumes that entities never sell assets and provide an estimation of the value required to rebuild the entity	x €1,000 € / share	3,656,251 91.74
EPRA Net Tangible Assets*	Net Asset Value adjusted in accordance with the Best Practice Recommendations (BPR) Guidelines published by EPRA in October 2019 for application as from 1st January 2020. EPRA NTA* assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.	x €1,000 € / share	3,176,816 85.10
EPRA Net Disposal Value*	Net Asset Value adjusted in accordance with the Best Practice Recommendations (BPR) Guidelines published by EPRA in October 2019 for application as from 1st 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.	x €1,000 € / share	3,344,516 79.71
EPRA Net Initial Yield (NIY)	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	%	4.9% 69.08
EPRA Topped-up NIY	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	%	5.1% 5.1%
EPRA Vacancy Rate	Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio	%	0.4% 0.5%
EPRA Cost Ratio (including direct vacancy costs)*	Administrative & operating costs (including costs of direct vacancy) divided by gross rental income	%	15.9% 16.7%
EPRA Cost Ratio (excluding direct vacancy costs)*	Administrative & operating costs (excluding costs of direct vacancy) divided by gross rental income	%	15.9% 16.7%
EPRA LTV*	The EPRA LTV* aims to represent the Company's indebtedness compared to the market value of its assets	%	43.4% 42.8%

1.2 EPRA Earnings*

EPRA Earnings*	31/12/2022	31/12/2021
x €1,000		
Earnings (owners of the parent) per IFRS income statement	331,778	281,824
Adjustments to calculate EPRA Earnings*, exclude:		
(i) Changes in value of investment properties, development properties held for investment and other interests	-84,877	-160,211
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	-787	-534
(iii) Profits or losses on sales of trading properties including impairment charges in respect of trading properties	-	-
(iv) Tax on profits or losses on disposals	-	559
(v) Goodwill impairment	18,103	3,540
(vi) Changes in fair value of financial instruments and associated close-out costs	-123,242	-14,813
(vii) Acquisition costs on share deals and non-controlling joint venture interests (IFRS 3)	-	-
(viii) Deferred taxes in respect of EPRA adjustments	42,705	46,452
(ix) Adjustments (i) to (viii) above in respect of joint ventures	-1,806	-6,011
(x) Non-controlling interests in respect of the above	-488	673
Roundings	-	-
EPRA Earnings* (owners of the parent)	181,386	151,479
Number of shares (Denominator IAS 33)	38,113,384	34,789,526
EPRA Earnings* per Share (EPRA EPS* - in €/share)	4.76	4.35
EPRA Earnings* diluted per Share (EPRA diluted EPS* - in €/share)	4.76	4.35

See section 1.3 of the 'Financial Review' chapter for a summary of the consolidated financial statements.

1.3 EPRA Net Asset Value indicators

Situation as per 31 December 2022	EPRA Net Reinstatement Value*	EPRA Net Tangible Assets*	EPRA Net Disposal Value*
x €1,000			
NAV per the financial statements (owners of the parent)	3,282,785	3,282,785	3,282,785
NAV per the financial statements (in €/share) (owners of the parent)	82.37	82.37	82.37
(i) Effect of exercise of options, convertibles and other equity interests (diluted basis)	772	772	772
Diluted NAV, after the exercise of options, convertibles and other equity interests	3,282,013	3,282,013	3,282,013
Include:			
(ii.a) Revaluation of investment properties (if IAS 40 cost option is used)	-	-	-
(ii.b) Revaluation of investment properties under construction (IPUC) (if IAS 40 cost option is used)	-	-	-
(ii.c) Revaluation of other non-current investments	-	-	-
(iii) Revaluation of tenant leases held as finance leases	-	-	-
(iv) Revaluation of trading properties	-	-	-
Diluted NAV at Fair Value	3,282,013	3,282,013	3,282,013
Exclude:			
(v) Deferred taxes in relation to fair value gains of IP	159,238	159,238	
(vi) Fair value of financial instruments	-118,908	-118,908	
(vii) Goodwill as a result of deferred taxes	45,161	45,161	45,161
(vii.a) Goodwill as per the IFRS balance sheet		-188,830	-188,830
(vii.b) Intangibles as per the IFRS balance sheet		-1,857	
Include:			
(ix) Fair value of fixed interest rate debt			206,173
(x) Revaluation of intangibles to fair value	-		
(xi) Real estate transfer tax	288,748	-	
Include/exclude:			
Adjustments (i) to (v) in respect of joint venture interests	-	-	-
Adjusted net asset value (owners of the parent)	3,656,251	3,176,816	3,344,516
Number of shares outstanding (excl. treasury shares)	39,854,966	39,854,966	39,854,966
Adjusted net asset value (in €/share) (owners of the parent)	91.74	79.71	83.92
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	4,258,625	77%	100%

Situation as per 31 December 2021	EPRA Net Reinstatement Value*	EPRA Net Tangible Assets*	EPRA Net Disposal Value*
<i>x €1,000</i>			
NAV per the financial statements (owners of the parent)	2,662,675	2,662,675	2,662,675
NAV per the financial statements (in €/share) (owners of the parent)	73.34	73.34	73.34
(i) Effect of exercise of options, convertibles and other equity interests (diluted basis)	2,235	2,235	2,235
Diluted NAV, after the exercise of options, convertibles and other equity interests	2,660,440	2,660,440	2,660,440
Include:			
(ii.a) Revaluation of investment properties (if IAS 40 cost option is used)	-	-	-
(ii.b) Revaluation of investment properties under construction (IPUC) (if IAS 40 cost option is used)	-	-	-
(ii.c) Revaluation of other non-current investments	-	-	-
(iii) Revaluation of tenant leases held as finance leases	-	-	-
(iv) Revaluation of trading properties	-	-	-
Diluted NAV at Fair Value	2,660,440	2,660,440	2,660,440
Exclude:			
(v) Deferred taxes in relation to fair value gains of IP	118,586	118,586	
(vi) Fair value of financial instruments	27,317	27,317	
(vii) Goodwill as a result of deferred taxes	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		-1,934	
Include:			
(ix) Fair value of fixed interest rate debt			9,535
(x) Revaluation of intangibles to fair value		-	
(xi) Real estate transfer tax	238,203	-	
Include/exclude:			
Adjustments (i) to (v) in respect of joint venture interests	-	-	-
Adjusted net asset value (owners of the parent)	3,089,707	2,642,684	2,508,249
Number of shares outstanding (excl. treasury shares)	36,308,157	36,308,157	36,308,157
Adjusted net asset value (in €/share) (owners of the parent)	85.10	72.78	69.08
<i>x €1,000</i>		Fair value	as % of total portfolio
Portfolio that is subject to deferred tax and intention is to hold and not to sell in the long run		3,584,425	75%
			100%

1.4 EPRA NIY & EPRA topped-up NIY

EPRA Net Initial Yield (NIY) and EPRA Topped-up NIY ¹ x €1,000	31/12/2022								
	BE	DE	NL	UK	FI	SE	IE	ES	Total
Investment properties - wholly owned	1,290,741	1,193,837	654,940	960,611	1,016,577	79,010	348,670	4,980	5,549,366
Investment properties - share of JVs/Funds	-	-	-	-	-	-	-	-	-
Trading properties (including share of JVs)	12,197	38,360	-	33,476	-	-	-	-	84,033
Less: developments	-3,548	-34,631	-14,838	-34,347	-31,777	-2,130	-59,544	-3,480	-184,295
Completed property portfolio	1,299,390	1,197,566	640,102	959,740	984,800	76,880	289,126	1,500	5,449,104
Allowance for estimated purchasers' costs	32,764	84,833	52,834	63,715	24,620	1,171	28,781	30	288,748
Gross up completed property portfolio valuation	1,332,154	1,282,399	692,936	1,023,455	1,009,420	78,051	317,907	1,530	5,737,852
Annualised cash passing rental income	70,104	59,932	34,805	57,264	50,588	3,866	14,023	75	290,658
Property outgoings ²	-611	-1,596	-1,976	-1,965	-2,070	-479	-138	-	-8,835
Annualised net rents	69,494	58,336	32,830	55,298	48,518	3,387	13,885	75	281,822
Add: notional rent expiration of rent free periods or other lease incentives	776	1,171	1,237	4,065	1,191	-	1,356	-	9,795
Topped-up net annualised rent	70,269	59,507	34,067	59,363	49,708	3,387	15,241	75	291,618
EPRA NIY (in %)	5.2%	4.5%	4.7%	5.4%	4.8%	4.3%	4.4%	0.0%	4.9%
EPRA Topped-up NIY (in %)	5.3%	4.6%	4.9%	5.8%	4.9%	4.3%	4.8%	0.0%	5.1%
EPRA Net Initial Yield (NIY) and EPRA Topped-up NIY ¹ x €1,000	31/12/2021								
	BE	DE	NL	UK	FI	SE	IE	ES	Total
Investment properties - wholly owned	1,218,690	1,102,436	587,375	825,057	881,952	79,350	105,755	2,500	4,803,115
Investment properties - share of JVs/Funds	-	-	-	-	-	-	-	-	-
Trading properties (including share of JVs)	-	-	-	6,660	28,700	-	-	-	35,360
Less: developments	-5,473	-44,923	-23,270	-10,051	-50,802	-1,021	-13,914	-2,500	-151,954
Completed property portfolio	1,213,217	1,057,513	564,105	821,666	859,850	78,329	-91,841	-	4,686,521
Allowance for estimated purchasers' costs	30,615	75,350	45,785	54,636	21,496	1,193	-9,127	-	238,203
Gross up completed property portfolio valuation	1,243,832	1,132,863	609,890	876,302	881,346	79,522	-100,968	-	4,924,724
Annualised cash passing rental income	62,397	51,538	31,208	49,617	45,805	3,892	-4,680	-	249,136
Property outgoings ²	-627	-1,319	-1,623	-2,949	-1,875	-141	-14	-	-8,547
Annualised net rents	61,770	50,219	29,585	46,668	43,930	3,751	-4,660	-	240,589
Add: notional rent expiration of rent free periods or other lease incentives	1,478	3,676	47	3,250	713	-	-200	-	9,364
Topped-up net annualised rent	63,248	53,895	29,632	49,918	44,643	3,751	-4,866	-	249,953
EPRA NIY (in %)	5.0%	4.4%	4.9%	5.3%	5.0%	4.7%	-4.6%	-	4.9%
EPRA Topped-up NIY (in %)	5.1%	4.8%	4.9%	5.7%	5.1%	4.7%	-4.8%	-	5.1%

1. See Note 3 for more details on segment information.

2. 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.

1.5 Investment properties – rental data

Investment properties – Rental data ¹	31/12/2022						
	Gross rental income ²	Net rental income ³	Lettalbe space (in m ²)	Contractual rents ⁴	Estimated rental value (ERV) on empty spaces	Estimated rental value (ERV)	EPRA Vacancy rate (in %) ⁵
<i>x €1,000</i>							
Segment							
Belgium	66,273	65,641	534,633	70,880	-	65,644	0.0%
Germany	54,204	52,580	570,274	61,103	-	58,542	0.0%
Netherlands	32,884	30,883	355,370	36,043	692	37,287	1.9%
United Kingdom	54,820	52,855	310,210	61,328	-	58,474	0.0%
Finland	44,555	42,484	257,350	51,779	561	55,513	1.0%
Sweden	3,914	3,435	17,323	3,866	-	4,030	0.0%
Ireland	9,245	9,107	96,816	15,379	-	14,743	0.0%
Spain	32	32	8,449	75	-	75	0.0%
Total marketable investment properties	265,927	257,017	2,150,425	300,453	1,253	294,308	0.4%
Reconciliation to income statement							
Properties sold during the 2022 financial year	330	330					
Properties held for sale	5,286	5,286					
Other adjustments	-	-					
Total marketable investment properties	271,543	262,633					
Investment properties – Rental data ¹	31/12/2021						
	Gross rental income ²	Net rental income ³	Lettalbe space (in m ²)	Contractual rents ⁴	Estimated rental value (ERV) on empty spaces	Estimated rental value (ERV)	EPRA Vacancy rate (in %) ⁵
<i>x €1,000</i>							
Segment							
Belgium	62,548	61,945	507,461	63,875	-	62,385	0.0%
Germany	44,969	43,699	588,686	55,214	-	54,917	0.0%
Netherlands	29,132	27,457	348,223	31,255	661	31,514	2.1%
United Kingdom	48,575	45,627	289,471	52,867	-	50,771	0.0%
Finland	38,276	36,384	221,756	46,518	563	44,799	1.3%
Sweden	1,958	1,818	15,991	3,892	-	4,043	0.0%
Ireland	2,504	2,490	43,070	4,880	-	4,759	0.0%
Spain	-	-	-	-	-	-	0.0%
Total marketable investment properties	227,962	219,420	2,014,658	258,500	1,223	253,188	0.5%
Reconciliation to income statement							
Properties sold during the 2021 financial year	1,175	1,225					
Properties held for sale	2,295	2,295					
Other adjustments	-	-					
Total marketable investment properties	231,432	222,940					

1. See 'Summary of investment properties' in section 2 of the 'Additional information' chapter for more details on rental data.
2. 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.
3. 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.
4. The current rent at the closing date plus future rent on leases signed as at 31 December 2022 or 31 December 2021.
5. See 'Risk factors' chapter section 2 'Rents and tenants' for more details on vacancy risk.

1.6 Investment properties – like-for-like net rental income

Investment properties – Like-for-like net rental income	31/12/2022					31/12/2021	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		
<i>x €1,000</i>							
Segment							
Belgium	63,968	1,149	60	1,270	66,448	61,114	4.67%
Germany	38,758	10,124	-	5,863	54,745	38,284	1.24%
Netherlands	27,663	-461	-	3,681	30,883	26,685	3.66%
United Kingdom	48,013	6,827	129	390	55,359	45,437	5.67%
Finland	35,538	1,568	140	5,378	42,624	33,713	5.41%
Sweden	968	2,467	-	-	3,435	1,051	-7.90%
Ireland	1,212	7,895	-	-	9,107	1,145	0.06%
Spain	-	32	-	-	32	-	-
Total marketable investment properties	216,120	29,601	329	16,582	262,633	207,429	4.19%
Reconciliation to income statement							
Properties sold during the 2022 financial year						-	
Properties held for sale						-	
Other adjustments						-	
Total marketable investment properties					262,633		

1. Marketable investment properties owned throughout the two 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.

1.7 Investment properties – valuation data

Investment properties – Valuation data ¹		31/12/2022			
		Fair value	Changes in fair value	EPRA NIY (in %)	Reversion rate (in %)
x €1,000					
Segment					
Belgium	1,299,390	17,728	5.2%	-8%	
Germany	1,197,566	39,927	4.5%	-4%	
Netherlands	640,102	23,434	4.7%	1%	
United Kingdom	959,740	1,081	5.4%	-5%	
Finland	984,800	14,160	4.8%	6%	
Sweden	76,880	-574	4.3%	4%	
Ireland	289,126	-13,905	4.4%	-4%	
Spain	1,500	-	0.0%	0%	
Total marketable investment properties including assets as held for sale*	5,449,104	81,851	4.9%	-3%	
Reconciliation to the consolidated IFRS balance sheet					
Development projects	184,295	4,258			
Right of use of plots of land	70,335	-1,232			
Total investment properties including assets classified as held for sale*, or real estate portfolio*	5,703,734	84,877			
Investment properties – Valuation data ¹		31/12/2021			
		Fair value	Changes in fair value	EPRA NIY (in %)	Reversion rate (in %)
x €1,000					
Segment					
Belgium	1,213,217	23,931	5.0%	-2%	
Germany	1,057,513	31,370	4.4%	-1%	
Netherlands	564,105	13,363	4.9%	-1%	
United Kingdom	821,666	25,960	5.3%	-4%	
Finland	859,850	55,729	5.0%	-5%	
Sweden	78,329	5,542	4.7%	4%	
Ireland	91,841	-1,272	4.6%	-3%	
Spain	-	-	0.0%	0%	
Total marketable investment properties including assets as held for sale*	4,686,521	154,623	4.9%	-3%	
Reconciliation to the consolidated IFRS balance sheet					
Development projects	151,954	6,692			
	57,947	-1,104			
Total investment properties including assets classified as held for sale*, or real estate portfolio*	4,896,422	160,211			

1. See section 1 'Our portfolio' of the 'Portfolio' chapter for more details on valuation data.

1.8 Investment properties – lease data

Investment properties – Lease data	31/12/2022				
	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
<i>x €1,000</i>					
Segment					
Belgium	20	-	-	22	70,858
Germany	22	473	-	-	60,630
Netherlands	17	-	-	82	35,961
United Kingdom	22	-	-	-	61,328
Finland	12	180	699	1,429	49,471
Sweden	12	118	-	119	3,629
Ireland	24	-	-	-	15,379
Spain	30	-	-	-	75
Total marketable investment properties including assets as held for sale*	19	771	699	1,652	297,331

1. Termination at following possible break.

1.9 Properties under construction / in development

Situation as per 31 December 2022									
(in € million)	Cost to date	Costs to completion	Future interest to be capitalised	Forecast total cost	Forecast completion date	Lettalbe space (in m ²)	% Pre-let	ERV on completion	
Total	191	479	10	671	2027	± 173,000	100%	34.8	

Situation as per 31 December 2021									
(in € million)	Cost to date	Costs to completion	Future interest to be capitalised	Forecast total cost	Forecast completion date	Lettalbe space (in m ²)	% Pre-let	ERV on completion	
Total	140	619	8	767	2026	± 198,000	100%	36.0	

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

The breakdown for these projects is provided in section 1.2 of the 'Portfolio' chapter.

1.10 EPRA Cost Ratios*

EPRA Cost ratios* (x €1,000)	31/12/2022	31/12/2021
Administrative/operating expense line per IFRS statement	-43,458	-38,791
Rental-related charges	-1,589	-686
Recovery of property charges	-	-
Charges and taxes not recovered by the tenant on let properties	-45	116
Other rental-related income and charges	355	-1,013
Technical costs	-3,373	-1,432
Commercial costs	-29	-61
Charges and taxes on unlet properties	-53	-2
Property management costs	-4,655	-5,433
Other property charges	-1,110	-667
Overheads	-33,556	-30,930
Other operating income and charges	597	1,317
EPRA Costs (including direct vacancy costs)* (A)	-43,458	-38,791
Charges and taxes on unlet properties	53	2
EPRA Costs (excluding direct vacancy costs)* (B)	-43,405	-38,789
Gross Rental Income (C)	273,132	232,118
EPRA Cost Ratio (including direct vacancy costs)* (A/C)	15.9%	16.7%
EPRA Cost Ratio (excluding direct vacancy costs)* (B/C)	15.9%	16.7%
Overhead and operating expenses capitalised (including share of joint ventures)	422	618

Aedifica capitalises some project management costs.

1.11 Capital expenditure

Capital expenditure	Group (excl. joint ventures)										Joint venture (proportionate share)	Total group
	31/12/2022	BE	DE	NL	UK	FI	SE	IE	ES	31/12/2022		
Property related capex												
(1) Acquisitions ¹	467,081	59,960	16,687	14,405	150,793	9,315	2,977	211,354	1,590	-	467,081	
(2) Development ²	305,359	4,399	67,055	36,041	56,436	88,546	3,021	48,783	1,078	-	305,359	
(3) Investment properties ³	4,388	453	2,022	360	1,866	-655	143	199	-	-	4,388	
Incremental lettable space	3,097	406	1,192	30	1,981	-655	143	-	-	-	3,097	
No incremental lettable space	1,291	47	830	330	-115	-	-	199	-	-	1,291	
Capex related incentives	-	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	-	
(4) Capitalised interests ⁴	3,953	62	1,507	424	279	927	41	713	-	-	3,953	
Total capex	780,781	64,874	87,272	51,230	209,373	98,133	6,182	261,049	2,668	-	780,781	
Conversion from accrual to cash basis ⁵	-4,753	-62	-1,506	-424	-279	-1,718	-51	-713	-	-	-4,753	
Total capex on cash basis	776,029	64,812	85,765	50,807	209,095	96,415	6,132	260,336	2,668	-	776,029	
Capital expenditure	Group (excl. joint ventures)										Joint venture (proportionate share)	Total group
	31/12/2021	BE	DE	NL	UK	FI	SE	IE	ES	31/12/2021		
Property related capex												
(1) Acquisitions ¹	625,372	19,237	298,875	25,075	112,631	19,999	43,437	103,575	2,542	-	625,372	
(2) Development ²	273,370	8,255	98,017	47,235	22,417	81,509	7,917	7,971	49	-	273,370	
(3) Investment properties ³	11,110	145	1,622	2,214	723	4,997	1,409	-	-	-	11,110	
Incremental lettable space	7,704	115	441	19	723	4,997	1,409	-	-	-	7,704	
No incremental lettable space	3,406	30	1,181	2,195	-	-	-	-	-	-	3,406	
Capex related incentives	-	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	-	
(4) Capitalised interests ⁴	3,321	-9	1,742	514	33	878	55	108	-	-	3,321	
Total capex	913,173	27,628	400,256	75,038	135,804	107,384	52,818	111,654	2,591	-	913,173	
Conversion from accrual to cash basis ⁵	+7,434	+5,006	+1,406	-222	+1,542	-624	+219	+107	-	-	+7,434	
Total capex on cash basis	920,607	32,634	401,662	74,816	137,346	106,760	53,037	111,761	2,591	-	920,607	

- See Note 22 for reconciliation with the cash flow statement.
- Corresponds to 'Capitalised development costs' and 'Other capitalised expenses' for development projects, see Note 22.
- Corresponds to 'Other capitalised expenses' for marketable investment properties, see Note 22.
- Corresponds to 'Capitalised interest charges', see Note 22.
- For reconciliation with 'Development costs' in the cash flow statement, add 'Development', 'Investment properties', 'Capitalised interests' and 'Conversion from accrual to cash basis'.

1.12 EPRA LTV*

EPRA LTV*	31/12/2022 Proportionate Consolidation				
	Group – as reported	Share of joint ventures	Share of material associates	Non-controlling interest	Combined
<i>x €1,000</i>					
Include:					
Borrowings from Financial Institutions	1,604,966	-	16,129	24,525	1,596,570
Commercial paper	263,000	-	-	-	263,000
Hybrids (including convertibles, preference shares, debt, options and forwards)	-	-	-	-	-
Bond loans	584,454	-	-	-	584,454
Foreign currency derivatives (futures, swaps, options and forwards)	-	-	-	-	-
Net payables	33,003	-	11	1,952	31,062
Owner-occupied property (debt)	-	-	-	-	-
Current accounts (equity characteristics)	-	-	-	-	-
Exclude:					
Cash and cash equivalents	13,891	-	7,002	121	20,772
Net debt (A)	2,471,532	-	9,138	26,356	2,454,314
Include:					
Owner-occupied property	-	-	-	-	-
Investment properties at fair value	5,365,071	-	43,070	36,625	5,371,516
Properties held for sale	84,033	-	4,624	1,137	87,520
Properties under development	184,295	-	3,060	3,107	184,248
Intangibles	-	-	-	-	-
Net receivables	-	-	150	-	150
Financial assets	8,900	-	-	-	8,900
Total property value (B)	5,642,299	-	50,904	40,869	5,652,334
LTV (A/B)	43.80%				43.42%

Reconciling items:

- The sum of 'Borrowings from financial institutions', 'Commercial paper' and 'Bond loans' corresponds to the sum of non-current and current financial debts (see Note 32).
- The 'Net payables' correspond to the difference between the trade payables and other current debts (Note 34) and the receivables (composed of trade receivables (Note 26) and tax receivables and other current assets (Note 27)).
- 'Cash and cash equivalents' corresponds to the balance sheet amount and is disclosed in Note 28.
- 'Investment properties at fair value', 'Properties held for sale' and 'Properties under development' can be reconciled with Note 22.
- 'Financial assets' is included in the amount of 'Other non-current receivables' disclosed in Note 24.

EPRA LTV*	31/12/2021 Proportionate Consolidation				
	Group – as reported	Share of joint ventures	Share of material associates	Non-controlling interest	Combined
<i>x €1,000</i>					
Include:					
Borrowings from Financial Institutions	1,220,888	-	17,508	17,008	1,221,388
Commercial paper	276,000	-	-	-	276,000
Hybrids (including convertibles, preference shares, debt, options and forwards)	-	-	-	-	-
Bond loans	584,189	-	-	-	584,189
Foreign currency derivatives (futures, swaps, options and forwards)	-	-	-	-	-
Net payables	22,307	-	-	3,972	18,335
Owner-occupied property (debt)	-	-	-	-	-
Current accounts (equity characteristics)	-	-	-	-	-
Exclude:					
Cash and cash equivalents	15,335	-	5,627	25	20,937
Net debt (A)	2,088,049	-	11,881	20,955	2,078,975
 Include:					
Owner-occupied property	-	-	-	-	-
Investment properties at fair value	4,651,161	-	42,427	29,901	4,663,687
Properties held for sale	35,360	-	10,382	-	45,742
Properties under development	151,954	-	-	1,779	150,175
Intangibles	-	-	-	-	-
Net receivables	-	-	153	1	152
Financial assets	-	-	-	-	-
Total property value (B)	4,838,475	-	52,962	31,681	4,859,756
LTV (A/B)	43.16%				42.78%

Reconciling items:

- The sum of 'Borrowings from financial institutions', 'Commercial paper' and 'Bond loans' corresponds to the sum of non-current and current financial debts (see Note 32).
- The 'Net payables' correspond to the difference between the trade payables and other current debts (Note 34) and the receivables (composed of trade receivables (Note 26) and tax receivables and other current assets (Note 27)).
- 'Cash and cash equivalents' corresponds to the balance sheet amount and is disclosed in Note 28.
- 'Investment properties at fair value', 'Properties held for sale' and 'Properties under development' can be reconciled with Note 22.

2. Summary of investment properties

	Total surface (m ²)	Residents	Children	Contractual rents	Estimated rental value (ERV)	Year of build/renovation	Location
Marketable investment properties	2,092,040	33,790	11,553	€297,193,992	€295,976,353		
Belgium	541,485	8,820	-	€70,880,099	€66,357,591		
Korian Belgium	161,242	2,754	-	€21,743,617			
Kasteelhof	5,346	102	-	€577,164	1994 (2020)	Dendermonde	
Ennea	1,848	34	-	€234,568	1998	Sint-Niklaas	
Wielant	4,834	112	-	€628,041	1997 (2001)	Anzegem/Ingooigem	
Résidence Boneput	2,993	76	-	€527,151	2003	Bree	
Résidence Aux Deux Parcs	1,618	68	-	€506,371	1987 (2020)	Jette	
Résidence l'Air du Temps	7,197	137	-	€1,002,183	1994 (2016)	Chénée	
Au Bon Vieux Temps	7,868	104	-	€988,768	2016	Mont-Saint-Guibert	
Op Haanven	6,587	111	-	€771,075	2001 (2016)	Veerle-Laakdal	
Résidence Exclusiv	4,253	104	-	€822,977	1993 (2013)	Evere	
Séniorie Mélopée	2,967	70	-	€573,206	1993 (2010)	Sint-Jans-Molenbeek	
Seniorie de Maretak	5,684	122	-	€608,549	2006 (2008)	Halle	
Résidence du Plateau	8,069	143	-	€1,468,106	1994 (2007)	Wavre	
De Edelweis	6,914	122	-	€885,922	1992 (2014)	Beginjendijk	
Residentie Sporenpark	9,261	127	-	€1,218,730	2013	Beringen	
Résidence Les Cheveux d'Argent	4,996	99	-	€493,799	1988 (2002)	Jalhay	
t Hoge	4,632	81	-	€833,726	1972 (2018)	Kortrijk	
Helianthus	4,799	67	-	€539,588	2006 (2014)	Melle	
Villa Vinkenbosch	9,153	114	-	€1,079,450	2016 (2018)	Hasselt	
Heydeveld	6,167	110	-	€696,623	2017	Opwijk	
Oosterzonne	4,948	77	-	€844,521	2016	Zutendaal	
De Witte Bergen	8,262	119	-	€1,192,901	2006	Lichtaart	
Seniorenhof	3,116	52	-	€367,553	1997	Tongeren	
Beerzelhof	5,025	61	-	€389,493	2007	Beerzel	
Uilenspiegel	6,863	97	-	€850,157	2007	Genk	
Coham	6,956	120	-	€1,024,194	2007	Ham	
Sorgvliet	6,932	110	-	€963,258	2021	Linter	
Ezeldijk	7,101	105	-	€835,837	2016	Diest	
Les Jardins de la Mémoire ¹	6,852	110	-	€819,707	2006 (2018)	Anderlecht	
Armonea	131,789	2,163	-	€18,474,801			
Les Charmes en Famenne	3,165	96	-	€355,190	1975 (2012)	Houyet	
Seniorerie La Pairelle	6,016	140	-	€883,489	2012 (2015)	Wépion	
Residence Gaerveld	1,504	20	-	€196,328	2008	Hasselt	
Gaerveld	6,994	115	-	€910,035	2008 (2010)	Hasselt	
Pont d'Amour	8,984	146	-	€1,143,537	2011 (2015)	Dinant	
Marie-Louise	1,959	30	-	€414,750	2014	Wemmel	
Hestia	12,682	208	-	€1,605,231	2014 (2018)	Wemmel	
Koning Albert I	7,775	110	-	€1,049,321	2012 (2014)	Dilbeek	
Eyckenborch	8,771	141	-	€1,324,122	2004 (2014)	Gooik	
Rietdijk	2,155	66	-	€403,453	1994 (2012)	Vilvoorde	
Larenshof	6,988	117	-	€1,216,797	2011 (2014)	Laarne	
Ter Venne	6,634	102	-	€1,184,695	2010 (2012)	Sint-Martens-Latem	
Plantijn	7,310	110	-	€1,220,586	1975 (2021)	Kapellen	
Salve	6,730	117	-	€1,244,115	2014	Brasschaat	
Huize Lieve Moenssens	4,597	78	-	€660,802	2017	Dilsen-Stokem	
De Stichel	8,429	152	-	€1,045,815	2018	Vilvoorde	
De Notelaar	8,651	94	-	€1,055,583	2011	Olen	
Overbeke	6,917	113	-	€959,634	2012	Wetteren	
Senior Flandria	7,501	108	-	€690,740	1989	Bruges	
Rembertus	8,027	100	-	€910,579	2020	Mechelen	
Vulpia	95,843	1,420	-	€11,905,174			
't Spelthof	4,076	121	-	€1,035,482	2022	Binkom	
Twee Poorten	8,413	129	-	€1,094,338	2014	Tienen	
Demerhof	10,657	120	-	€1,053,596	2013	Aarschot	
Halmolen	9,200	140	-	€1,148,161	2013	Halle-Zoersel	
La Ferme Blanche	4,240	90	-	€604,664	2016	Remicourt	
Villa Temporis	8,354	103	-	€861,672	1997 (2017)	Hasselt	
Residentie Poortvelden	5,307	60	-	€502,854	2014	Aarschot	
Leopoldspark	10,888	153	-	€1,352,837	2016	Leopoldsburg	
Residentie Den Boomgaard	6,274	90	-	€752,729	2016	Glabbeek	
Blaret	9,578	107	-	€1,178,361	2016	Sint-Genesius-Rode	
Residentie Kartuizerhof	10,845	128	-	€1,050,420	2018	Sint-Martens-Lierde	
Résidence de la Paix	3,793	107	-	€784,859	2017	Evere	
Résidence Véronique	4,218	72	-	€485,200	2021	Somme-Leuze	

Corporate governance	Risk factors	Financial statements			Additional information			
		Total surface (m ²)	Residents	Children	Contractual rents	Estimated rental value (ERV)	Year of build/renovation	Location
Orpea		47,985	1,144	-	€7,582,916			
Château Chenois		6,354	100	-	€957,813		2006	Waterloo
New Philip		3,914	111	-	€513,733		1991	Vorst
Jardins de Provence		2,280	72	-	€472,760		1996 (2008)	Anderlecht
Bel Air		5,350	161	-	€784,115		1997	Schaarbeek
Résidence Grange des Champs		3,396	75	-	€463,966		1994	Braine-l'Alleud
Résidence Augustin		4,832	94	-	€800,000		2006	Vorst
Résidence Parc Palace		6,719	162	-	€1,347,922		1991	Ukkel
Résidence Service		8,716	175	-	€1,386,434		1976	Ukkel
Résidence du Golf		6,424	194	-	€856,172		1989	Anderlecht
My-Assist		38,299	332	-	€2,921,842			
Domaine de la Rose Blanche		7,203	121	-	€934,391		2014	Durbuy
Militza Brugge		14,100	120	-	€1,319,841		2013	Bruges
Militza Gent		16,996	91	-	€667,610		2004	Ghent
Astor VZW		15,792	132	-	€1,750,000			
Klein Veldekens		15,792	132	-	€1,750,000		2020	Geel
Orelia Group		6,013	101	-	€1,052,569			
Le Jardin Intérieur		6,013	101	-	€1,052,569		2018	Frasnes-lez-Anvaing
Hof van Schoten		8,313	101	-	€892,035			
Hof van Schoten		8,313	101	-	€892,035		2014	Schoten
Dorian groep		5,400	115	-	€808,000			
De Duinpieper		5,400	115	-	€808,000		2021	Ostend
Vivalto Home		6,003	107	-	€739,643			
Familiehof		6,003	107	-	€739,643		2016	Schelle
Résidence de la Houssière		4,484	94	-	€680,760			
Résidence de la Houssière		4,484	94	-	€680,760		2006	Braine-le-Comte
Buitenhof VZW		4,386	80	-	€612,638			
Buitenhof		4,386	80	-	€612,638		2005 (2008)	Brasschaat
Pierre Invest NV		2,272	65	-	€515,274			
Bois de la Pierre		2,272	65	-	€515,274		1955 (2018)	Wavre
Emera		4,020	84	-	€429,959			
In de Gouden Jaren		4,020	84	-	€429,959		2005	Tienen
Bremdael VZW		3,500	66	-	€386,514			
Bremdael		3,500	66	-	€386,514		1994 (2012)	Herentals
Sint Franciscus		5,824	58	-	€361,930			
Klein Veldeken		5,824	58	-	€361,930		1998 (2014)	Asse
Other		320	4	-	€22,429			
Villa Bois de la Pierre		320	4	-	€22,429		1955 (2000)	Wavre
Germany		551,666	9,764	-	€60,699,454	€60,194,561		
Azurit Rohr		148,967	2,742	-	€15,235,319			
Azurit Seniorenresidenz Sonneberg		4,876	101	-	€622,608		1889 (2011)	Sonneberg
Azurit Seniorenresidenz Cordula 1 ¹		4,970	75	-	€333,014		1970 (2017)	Oberzent-Rothenberg
Azurit Seniorenresidenz Cordula 2 ¹		1,204	39	-	€173,167		1993 (2017)	Oberzent-Rothenberg
Hansa Pflege- und Betreuungszentrum Dornum ¹		11,203	106	-	€454,617		1993 (2016)	Dornum
Seniorenzentrum Weimar		7,609	144	-	€883,008		2019	Weimar
Sz Haus Asam		6,701	168	-	€919,800		1996	Rohr
Sz Laaberg		6,710	105	-	€574,875		2004	Tann-Eiberg
Sz Grünstadt		5,201	140	-	€766,500		2003	Grünstadt
Sz Berghof		2,838	78	-	€427,050		2005	Rinteln
Sz Abundus		7,023	150	-	€821,250		1993	Fürstenzell
Sz Bad Höhenstadt		4,668	95	-	€520,125		1998	Fürstenzell
Sz Huththurm		5,344	108	-	€591,300		1992	Huththurm
Sz Gensingen		7,269	144	-	€840,960		2007	Gensingen
Sz Hildegardis		14,927	196	-	€1,159,635		2017	Langenbach
Pz Wiesengrund		3,054	52	-	€303,680		2006	Langenbach
Sz Großalmerode		3,202	83	-	€513,920		2017	Großalmerode
Sz Bad Köstritz		8,448	196	-	€1,073,100		2014	Bad Köstritz
Sz Talblick		4,647	95	-	€520,125		2010	Grasellenbach
Sz Birken		3,075	83	-	€454,425		2010	Birken-Honigessen
Sz Altes Kloster		4,939	80	-	€493,480		2009	Much
Sz Alte Zwirnerei		8,350	104	-	€569,400		2010	Gersdorf
Sz St. Benedikt		7,768	124	-	€656,270		2017	Passeau
Sz Sörgenloch		7,995	148	-	€837,310		2014	Sörgenloch
Seniorenzentrum Borna		6,946	128	-	€725,700		2012	Borna
EMVIA		100,744	1,537	-	€10,854,761			
Berlin Zehlendorf		4,540	180	-	€947,123		2002	Berlin
Schwerin		5,000	87	-	€646,800		2019	Schwerin
Seniorenquartier Kaltenkirchen		6,650	123	-	€916,800		2020	Kaltenkirchen
Seniorenquartier Lübecke		4,240	80	-	€576,276		2019	Lübecke
Seniorenwohnpark Hartha		10,715	177	-	€776,665		1996 (2010)	Tharandt
Seniorenpflegezentrum Zur alten Linde		4,208	82	-	€408,612		2004	Rabenau
Seniorenquartier Wolfsburg		17,742	141	-	€1,561,410		2021	Wolfsburg
Seniorenquartier Heiligenhafen		7,391	104	-	€734,880		2021	Heiligenhafen
Seniorenquartier Espelkamp		9,458	113	-	€857,874		2021	Espelkamp
Seniorenquartier Beverstedt		5,475	80	-	€563,850		2020	Beverstedt
Seniorenquartier Kaemenas Hof		7,057	75	-	€700,253		2021	Bremen
Seniorenquartier Weyhe		7,373	109	-	€871,570		2021	Weyhe
Seniorenquartier Schwerin		5,235	87	-	€606,084		2022	Schwerin
Seniorenquartier Twistringen		5,660	99	-	€686,565		2022	Twistringen

1. Asset classified as held for sale.

	Total surface (m ²)	Residents	Children	Contractual rents	Estimated rental value (ERV)	Year of build/ renovation	Location
Vitanas	86,611	1,614	-	€8,330,437			
Am Kloster	5,895	136	-	€828,313		2002	Halberstadt
Rosenpark 1	4,934	79	-	€517,710		2001	Uehlfeld
Patricia	7,556	174	-	€1,156,900		2001 (2010)	Nürnberg
St. Anna	7,176	161	-	€1,022,856		2001	Höchstadt
Frohnau	4,101	107	-	€650,767		2018	Berlin
Am Schäfersee	12,658	187	-	€993,700		PROJECT	Berlin
Am Stadtpark	7,297	135	-	€520,022		PROJECT	Berlin
Am Bäkepark	3,828	90	-	€473,132		1999	Berlin
Rosengarten	7,695	165	-	€570,664		PROJECT	Berlin
Am Parnasssturm	7,042	84	-	€307,909		PROJECT	Plön
Am Marktplatz	4,880	79	-	€154,348		PROJECT	Wankendorf
Am Tierpark	13,549	217	-	€1,134,117		PROJECT	Ueckermünde
Residenz Management	24,564	442	-	€3,658,854			
Die Rose im Kalletal	4,027	96	-	€759,273		2009	Kalletal
Senioreneinrichtung Haus Matthäus	2,391	50	-	€402,554		2009	Olpe-Rüblinghausen
Senioreneinrichtung Haus Elisabeth	3,380	80	-	€644,088		2010	Wenden-Rothemühle
Bremerhaven I	6,077	85	-	€986,921		2016	Bremerhaven
Bremerhaven II	2,129	42	-	€321,744		2003	Bremerhaven
Cuxhaven	810	9	-	€112,274		2010	Cuxhaven
Sonnenhaus Ramsloh	5,750	80	-	€432,000		2006	Saterland-Ramsloh
Orpea	20,507	444	-	€3,481,649			
Seniorenresidenz Mathilde	3,448	75	-	€627,109		2010	Enger
Seniorenresidenz Klosterbauerschaft 1	3,497	80	-	€667,409		2010	Kirchlengern
Bonifatius Seniorenzentrum	3,967	80	-	€679,555		2009	Rheinbach
Seniorenresidenz Am Stübchenbach	5,874	130	-	€885,134		2010	Bad Harzburg
Seniorenresidenz Kierspe	3,721	79	-	€622,442		2011	Kierspe
Argentum	25,688	511	-	€3,029,959			
Seniorenheim am Dom	531	13	-	€671,079		1900 (1975)	Bad Sacha
Haus Nobilis	4,310	126	-	€575,098		2008	Halberstadt
Haus Alaba	3,186	70	-	€246,471		1950 (2015)	Bad Sacha
Haus Concolor	2,560	64	-	€558,667		1903 (1975)	Bad Sacha
Haus Arche	5,715	74	-	€82,157		1950 (2008)	Bad Sacha
Seniorenheim J.J. Kaendler	4,094	73	-	€302,955		1955 (2020)	Meissen
Haus Wellengrund	5,292	91	-	€593,532		2022	Stemwede
Alloheim	23,330	473	-	€2,866,119			
AGO Herkenrath	4,000	80	-	€592,823		2010	Bergisch Gladbach
AGO Dresden	5,098	116	-	€618,811		2012	Dresden
AGO Kreischa	3,670	84	-	€441,881		2011	Kreischa
Bonn	5,927	108	-	€800,066		2018	Bonn
Mühlhausen	4,635	85	-	€412,538		1988 (2012)	Mühlhausen
Specht & Tegeler	23,260	313	-	€2,426,856			
Quartier am Rathausmarkt	7,650	80	-	€804,000		2022	Bremervörde
Langwedel	8,250	113	-	€714,372		2022	Langwedel
Seniorenquartier Cuxhaven	7,360	120	-	€908,484		2021	Cuxhaven
Cosiq	17,060	264	-	€1,842,967			
Seniorenresidenz an den Kienfichten	4,332	88	-	€492,615		2017	Dessau-Rosslau
Pflegeteam Odenwald 1	1,202	32	-	€243,566		1995 (2012)	Wald-Michelbach
Wohnstift am Weinberg	11,526	144	-	€1,106,786		2022	Kassel
SARA	12,196	162	-	€1,140,000			
SARA Seniorenresidenz	12,196	162	-	€1,140,000		1964 (2017)	Bitterfeld-Wolfen
Korian Germany	7,618	151	-	€968,520			
Haus Steinbachhof	7,618	151	-	€968,520		2017	Chemnitz
Procuritas	7,050	127	-	€953,000			
Haus Wedau	3,892	70	-	€460,000		2007	Duisburg
Haus Marxloh	3,158	57	-	€493,000		2007	Duisburg
Convivo	5,732	123	-	€762,621			
Seniorenhaus Wiederitzsch	3,275	63	-	€391,716		2018	Leipzig
Haus am Jungfernsteig	2,457	60	-	€370,905		2010	Neumünster
Aspida	5,095	120	-	€707,925			
Pflegecampus Plauen	5,095	120	-	€707,925		2020	Plauen
New Care	6,113	79	-	€693,231			
Park Residenz	6,113	79	-	€693,231		1899 (2001)	Neumünster
Deutsches Rotes Kreuz Kreisverband Nordfriesland e. V.	4,088	83	-	€589,407			
Käthe-Bernhardt-Haus	4,088	83	-	€589,407		2008	Husum
Seniorenresidenz Laurentiusplatz GmbH	5,506	79	-	€551,952			
Laurentiusplatz	5,506	79	-	€551,952		2018	Wuppertal
Johanniter	3,950	74	-	€523,443			
Johanniter-Haus Lüdenscheid	3,950	74	-	€523,443		2006	Lüdenscheid
Volkssolidarität	4,141	83	-	€504,546			
Goldene Au	4,141	83	-	€504,546		2010	Sonneberg
advitा Pflegedienst	6,422	91	-	€483,201			
Advitा Haus Zur Alten Berufsschule	6,422	91	-	€483,201		2016	Zschopau
ATV Lemförde GmbH	4,741	85	-	€444,000			
Sr Lemförde	4,741	85	-	€444,000		2007	Lemförde
Seniorenhaus Lessingstrasse	3,963	73	-	€433,936			
Seniorenhaus Lessingstrasse	3,963	73	-	€433,936		2021	Wurzen
Auriscare	4,320	94	-	€216,750			
BAVARIA Senioren- und Pflegeheim	4,320	94	-	€216,750		PROJECT	Sulzbach-Rosenberg

Corporate governance	Risk factors		Financial statements			Additional information	
	Total surface (m ²)	Residents	Children	Contractual rents	Estimated rental value (ERV)	Year of build/renovation	Location
Netherlands	323,082	2,841	-	€33,686,444	€34,938,690		
Korian Netherlands	53,377	563	-	€7,166,249			
Saksen Weimar	2,291	42	-	€584,978		2015	Arnhem
Spes Nostra	2,454	30	-	€546,424		2016	Vleuten
Villa Koornmarkt	3,611	37	-	€559,654		2017	Kampen
HGH Leersum	2,280	26	-	€461,265		2018	Leersum
Stepping Stones Leusden	1,689	21	-	€282,457		2019	Leusden
Zorghuis Smakt	2,111	30	-	€235,528		1950 (2010)	Smakt
Zorgresidentie Mariëndaal	8,728	75	-	€895,481		1870 (2011)	Velp
Sorghuys Tilburg	1,289	22	-	€312,907		2020	Berkel-Enschot
HGH Leiden	6,468	58	-	€624,300		2017	Leiden
HGH Amersfoort	2,261	33	-	€397,318		1974 (2020)	Amersfoort
HGH Harderwijk	4,202	45	-	€631,695		2020	Harderwijk
HGH Franeker	10,750	70	-	€671,455		2016	Franeker
Stepping Stones Zwolle	1,770	24	-	€351,777		2020	Zwolle
Villa Casimir	1,273	20	-	€202,275		2020	Roermond
Villa Nuova	2,200	30	-	€408,734		2021	Vorden
Stichting Vitalis Residentiële Woonvormen	90,984	446	-	€4,530,772			
Parc Imstenrade	57,181	263	-	€2,422,442		2006	Heerlen
Genderstate	8,815	44	-	€585,647		1991	Eindhoven
Petruspark	24,988	139	-	€1,522,683		2018	Eindhoven
Martha Flora	22,850	259	-	€4,439,090			
Martha Flora Hilversum	4,055	31	-	€622,007		2017	Hilversum
Martha Flora Den Haag	2,259	28	-	€644,147		2018	Den Haag
Martha Flora Rotterdam	2,441	29	-	€587,760		2019	Rotterdam
Martha Flora Bosch en Duin	2,241	27	-	€523,765		2018	Bosch en Duin
Martha Flora Hoorn	780	12	-	€87,838		2012	Hoorn
Martha Flora Dordrecht	2,405	28	-	€442,271		2021	Dordrecht
Martha Flora Hulsberg	2,452	28	-	€376,010		2021	Hulsberg
Martha Flora Goes	2,405	28	-	€377,000		2022	Goes
Martha Flora Oegstgeest	1,428	20	-	€375,000		2022	Oegstgeest
Martha Flora Breda	2,384	28	-	€403,293		2022	Breda
NNCZ	38,440	340	-	€3,133,381			
Wolfsbos	11,997	93	-	€884,156		2013	Hoogeveen
De Vecht	8,367	79	-	€751,985		2012	Hoogeveen
De Kaap	6,254	61	-	€656,414		2017	Hoogeveen
Krakeel	5,861	57	-	€546,701		2016	Hoogeveen
WZC Beatrix	5,961	50	-	€294,125		1969 (1996)	Hoogeveen
Compartijn	16,297	173	-	€3,035,138			
Huize de Compagnie	3,593	42	-	€649,438		2019	Ede
Huize Hoog Kerckebosch	3,212	32	-	€620,856		2017	Zeist
Huize Ter Beegden	1,895	19	-	€362,114		2019	Beegden
Huize Roosdael	3,361	26	-	€464,800		2019	Roosendaal
Huize Groot Waardijnen	1,920	26	-	€462,614		2019	Tilburg
Huize Ereslo	2,316	28	-	€475,316		2019	Duizel
Domus Magnus	8,007	99	-	€2,248,154			
Holland	2,897	34	-	€906,639		2013	Baarn
Benvenuta	924	10	-	€236,974		2009	Hilversum
Molenenk	2,811	40	-	€761,465		2017	Deventer
Villa Walgaerde	1,375	15	-	€343,076		2017	Hilversum
Stichting Laverhof	13,191	108	-	€1,227,709			
Zorgcampus Uden	13,191	108	-	€1,227,709		2019	Uden
Stichting Oosterlenkte	18,878	152	-	€1,204,845			
Het Dokhuis	4,380	32	-	€464,764		2017	Oude Pekela
Emmaheerd	11,698	84	-	€357,332		2020	Winschoten
Havenzicht	2,800	36	-	€382,749		2020	Scheemda
Stichting Zorggroep Noorderboog	13,555	140	-	€945,646			
Oeverlanden	13,555	140	-	€945,646		2017	Meppel
Stichting Rendant	13,142	126	-	€928,997			
Heerenhage	13,142	126	-	€928,997		2021	Heerenveen
Stichting Nusantara	4,905	70	-	€708,575			
Rumah Saya	4,905	70	-	€708,575		2011	Ugchelen
Stichting Leger des Heils Welzijns- en Gezondheidszorg	6,017	75	-	€667,143			
De Merenhoef	6,017	75	-	€667,143		2019	Maarssen
U-center	7,416	59	-	€655,341			
U-center	7,416	59	-	€655,341		2015	Epen
Saamborgh	2,352	38	-	€525,000			
Saamborgh Almere Buiten	2,352	38	-	€525,000		2022	Almere
Zorghaven Groep	3,489	36	-	€500,233			
Zuyder Haven Oss	1,674	18	-	€279,761		2018	Oss
Buyten Haven Dordrecht	1,815	18	-	€220,472		2016	Dordrecht
Zorggroep Apeldoorn	2,653	48	-	€486,397			
Pachterserf	2,653	48	-	€486,397		2011	Apeldoorn
Sandstep Healthcare	1,911	0	-	€425,000			
Cosmed Kliniek	1,911	0	-	€425,000		1950	Bosch en Duin
Cardea	2,565	63	-	€349,309			
OZC Orion	2,565	63	-	€349,309		2014	Leiderdorp

1. Asset classified as held for sale.

	Total surface (m ²)	Residents	Children	Contractual rents	Estimated rental value (ERV)	Year of build/renovation	Location
Wonen bij September	1,466	20	-	€264,319			
September Nijverdal	1,466	20	-	€264,319		2019	Nijverdal
Omega	1,587	26	-	€245,147			
Meldestraat	1,587	26	-	€245,147		2019	Emmeloord
United Kingdom ¹	328,640	7,262	-	€61,328,277 £54,347,359	€60,613,563 £53,714,000		
Maria Mallaband	56,567	1,263	-	£10,988,794			
Ashmead	4,557	110	-	£1,131,081		2004	Putney
Belvoir Vale	2,158	56	-	£779,762		1991 (2016)	Widmerpool
Blenheim	2,288	64	-	£284,148		2000 (2015)	Ruislip
Coplands	3,445	79	-	£654,466		1998 (2016)	Wembley
Eltandia Hall	3,531	83	-	£721,961		1999	Norbury
Glennie House	2,279	52	-	£130,159		2005 (2014)	Auchinleck
Heritage	2,972	72	-	£947,138		2002 (2015)	Tooting
Kings Court (MM)	2,329	60	-	£257,950		2000 (2016)	Swindon
Knights Court	3,100	80	-	£552,152		1998 (2017)	Edgware
Ottery	3,513	62	-	£733,095		2019	Ottery St Mary
River View	5,798	137	-	£965,682		2001	Reading
The Windmill	2,332	53	-	£215,935		2007 (2015)	Slough
Deepdene	3,009	66	-	£899,758		2006	Dorking
Princess Lodge	4,087	85	-	£406,078		2006	Swindon
Minster Grange	4,815	83	-	£1,012,469		2012	York
Aylesbury Martin Dalby	3,702	61	-	£776,993		2022	Aylesbury
Creggan Bahn Court	2,652	60	-	£519,966			Ayr
Bondcare Group	64,483	1,484	-	£9,095,502			
Alexander Court	3,347	82	-	£563,856		2002	Dagenham
Ashurst Park	2,145	47	-	£488,800		1990 (2016)	Tunbridge Wells
Ashwood	2,722	70	-	£394,284		2001 (2017)	Hayes
Beech Court	2,135	51	-	£403,136		1999	Romford
Beechcare	2,739	65	-	£735,982		1989 (2017)	Darenth
Bentley Court	3,755	77	-	£380,000		2009 (2016)	Wednesfield
Brook House	3,155	74	-	£521,327		2001 (2017)	Thamesmead
Chatsworth Grange	2,558	66	-	£282,301		1998 (2017)	Sheffield
Clarendon	2,132	51	-	£345,446		1998 (2017)	Croydon
Coniston Lodge	3,733	92	-	£434,330		2003	Feltham
Derwent Lodge	2,612	62	-	£555,082		2000	Feltham
Green Acres	2,352	62	-	£274,004		2000 (2017)	Leeds
Lashbrook House	1,741	46	-	-		1995 (2016)	Lower Shiplake
Meadowbrook	3,334	69	-	£287,040		1991 (2015)	Gobowen
Moorland Gardens	3,472	79	-	£438,406		2004	Luton
Springfield	3,153	80	-	£346,270		2000	Ilford
The Fountains	2,510	62	-	£370,970		2000	Rainham
The Mount	1,229	35	-	-		2001 (2015)	Wargrave
The Grange	7,693	160	-	£751,946		2005	Southall
The Hawthorns	4,558	73	-	£772,322		2011	Woolston
The Uplands	3,411	81	-	£750,000		2007	Shrewsbury
Burlington	56,499	1,367	-	£8,441,884			
Bessingby Hall	2,471	65	-	£425,562		2005 (2014)	Bessingby
Cherry Trees ²	3,178	81	-	£241,186		1990 (2017)	Barnsley
Crystal Court	2,879	60	-	£589,274		2012	Harrogate
Figham House	2,131	63	-	£544,077		2017	Beverley
Foresters Lodge	2,241	69	-	£373,719		2017	Bridlington
Grosvenor Park	2,312	61	-	£315,120		2004 (2016)	Darlington
Highfield Care Centre	3,260	88	-	£416,201		2003 (2015)	Castleford
Maple Court	3,045	64	-	£499,647		2018	Scarborough
Maple Lodge	1,673	55	-	£234,463		1989 (2017)	Scotton
Priestley	1,520	40	-	£257,550		2002 (2016)	Birstall
Riverside View	2,362	59	-	£315,120		2004 (2016)	Darlington
Southlands	1,812	48	-	£279,730		1995 (2015)	Driffield
The Elms & Oakwood	5,361	80	-	£427,717		1995 (2016)	Louth
The Grange	2,919	73	-	£326,007		2005 (2015)	Darlington
The Hawthorns	1,512	40	-	£286,499		2003 (2017)	Birkenshaw
The Lawns	2,459	62	-	£235,672		2005 (2017)	Darlington
The Limes	3,414	97	-	£737,702		2017	Driffield
The Lodge	2,226	53	-	£187,200		2003 (2016)	South Shields
The Sycamores	1,627	40	-	£371,068		2003 (2016)	Wakefield
York House	1,302	36	-	£204,495		1999 (2016)	Dewsbury
Shipley Canal Works	3,799	66	-	£492,000		2022	Shipley
St Mary's Riverside	2,995	67	-	£681,875		2021	Hessle
Care UK	32,368	740	-	£4,049,808			
Armstrong House	2,799	71	-	£337,870		2006 (2016)	Gateshead
Cheviot Court	2,978	73	-	£573,916		2006 (2016)	South Shields
Church View ²	1,653	42	-	£144,636		2004 (2015)	Seaham
Collingwood Court	2,525	63	-	£520,690		2005 (2016)	North Shields
Elwick Grange	2,493	60	-	£320,513		2002	Hartlepool
Grangewood Care Centre	2,317	50	-	£335,555		2005 (2016)	Houghton Le Spring
Hadrian House ²	2,487	55	-	£319,356		2002 (2016)	Blaydon

Corporate governance	Risk factors	Financial statements			Additional information			
					Location			
		Total surface (m ²)	Residents	Children	Contractual rents	Estimated rental value (ERV)	Year of build/renovation	
Hadrian Park		2,892	73	-	£261,502		2004	Billingham
Ponteland Manor		2,160	52	-	£185,134		2003 (2016)	Ponteland
Stanley Park		3,240	71	-	£448,950		2006 (2015)	Stanley
The Terrace		2,190	40	-	£254,559		1800 (2016)	Richmond
Ventress Hall ²		4,635	90	-	£347,126		1994 (2017)	Darlington
Anchor Hanover Group		17,000	330	-	£3,564,522			
Hazel End		3,210	66	-	£824,387		2019	Bishops Stortford
Marham House		3,435	66	-	£695,354		2020	Bury St. Edmunds
Corby Priors Hall Park		3,499	66	-	£640,063		2021	Corby
Wellingborough Glenvale Park		3,456	66	-	£666,188		2022	Wellingborough
Northampton Thompson Way		3,400	66	-	£738,530		2022	Northampton
Renaissance		22,414	512	-	£3,196,043			
Beech Manor		2,507	46	-	£223,273		1995 (2017)	Blairgowrie
Jesmond		2,922	65	-	£474,268		2008 (2015)	Aberdeen
Kingsmills		2,478	60	-	£596,175		1997 (2010)	Inverness
Letham Park		2,954	70	-	£396,148		1995 (2017)	Edinburgh
Meadowlark		2,005	57	-	£180,563		1989 (2015)	Forres
Persley Castle		1,550	40	-	£240,930		1970 (2017)	Aberdeen
The Cowdray Club		2,581	35	-	£373,671		2009 (2016)	Aberdeen
Torry		3,028	81	-	£358,060		1996 (2016)	Aberdeen
Whitecraigs		2,389	58	-	£352,955		2001	Glasgow
Emera		17,262	251	-	£3,043,600			
Lavender Villa		1,724	20	-	£248,600		2011	Grouville
Crovan Court		2,397	52	-	£335,000		2019	Ramsey
Le Petit Bosquet		2,179	26	-	£294,000	PROJECT	St. Laurence	
St. Joseph's		7,777	83	-	£1,000,000	PROJECT	St. Helier	
Les Charrières		2,413	50	-	£596,000		2020	Jersey
St. Joseph's Flats ²		772	20	-	£270,000		1970	St. Helier
St. Joseph's Land ²		0	0	-	£300,000		-	St. Helier
Excelcare		14,007	244	-	£2,247,000			
Abbot Care Home		6,827	98	-	£781,000		2016	Harlow
Stanley Wilson Lodge		3,766	75	-	£626,000		2010	Saffron Walden
St Fillans		3,414	71	-	£840,000		2012	Colchester
Hamberley Care Homes		7,177	129	-	£1,775,280			
Richmond Manor		3,808	69	-	£949,520		2020	Amphill
Abbotts Wood Care Home		3,369	60	-	£825,760		2021	Hailsham
Harbour Healthcare		12,742	339	-	£1,612,334			
Bentley Rosedale Manor		2,896	78	-	£411,958	2010 (2017)	Crewe	
Cromwell Court ²		2,896	67	-	£281,856		1995	Warrington
Hilltop Manor ²		2,809	80	-	£320,000		1995 (2015)	Tunstal
Oak Lodge		1,699	45	-	£300,000		1995 (2018)	Chard
Tree Tops Court		2,442	69	-	£298,520		1990 (2015)	Leek
Danforth		6,634	126	-	£1,569,400			
Rawdon Green Lane		3,456	66	-	£777,400		2022	Rawdon
Holt Heath Farm		3,178	60	-	£792,000		2022	Holt
Caring Homes		8,898	221	-	£1,512,432			
Brooklyn House		1,616	38	-	£349,020	2009 (2016)	Attleborough	
Guysfield		2,052	51	-	£409,316		2000 (2015)	Letchworth
Hillside House and Mellish House		3,629	92	-	£485,434		2005 (2016)	Sudbury
Sanford House		1,601	40	-	£268,662		1998 (2016)	East Dereham
Lifeways		3,880	67	-	£1,293,760			
Heath Farm		2,832	47	-	£919,360		2009	Scopwick
Sharmers Fields House		1,048	20	-	£374,400		2008 (2010)	Leamington Spa
Hands ale		4,107	80	-	£855,000			
Priesty Fields		4,107	80	-	£855,000		2021	Congleton
Ideal care		3,048	60	-	£792,000			
Marston Moretaine Gee View		3,048	60	-	£792,000		2022	Marston Moretaine
Barchester		1,554	49	-	£310,000			
Highfields (Notts)		1,554	49	-	£310,000		2008 (2016)	Edingley
Finland		257,350	3,498	10,943	€51,778,693	€55,513,206		
Attendo		50,257	1,205	-	€9,982,313			
Koy Vihdin Vanhan sepän tie		1,498	40	-	€329,001		2015	Nummela
Koy Kouvolan Vinttikaiontie		1,788	48	-	€392,470		2015	Kouvolan
Koy Lahden Vallesmanninkatu		1,199	30	-	€256,043		2015	Lahti
Koy Orimattilan Suppulanpolku		1,498	40	-	€346,362		2016	Orimattila
Koy Espoon Vuoripinttie		1,480	35	-	€308,147		2016	Espoo
Koy Kajaanin Erätie		1,920	52	-	€353,365		2017	Kajaani
Koy Heinolan Lähteentie		1,665	41	-	€331,772		2017	Heinola
Koy Uudenkaupungin Puusepänpätku		1,209	30	-	€255,336		2017	Uusikaupunki
Koy Porvoon Fredrika Runebergin katu		973	29	-	€262,340		2017	Porvoo
Koy Pihtiputaan Nurmelanpolku		963	24	-	€191,390		2017	Pihtipudas
Koy Pihtiputaan Nurmelanpolku		460	16	-	€65,088		2004	Pihtipudas
Koy Nokian Näsijätku		1,665	41	-	€341,944		2017	Nokia
Koy Oulun Ukkoherrantie B		878	20	-	€198,394		2017	Oulu
Koy Keravan Männiköntie		862	27	-	€248,902		2017	Kerava
Koy Lohjan Ansatie		1,593	40	-	€340,891		2017	Lohja
Koy Uudenkaupungin Merimetsopolku C (HKO)		655	15	-	€143,127		2017	Uusikaupunki

1. Amounts in £ were converted into € based on the exchange rate of 31 December 2022 (0.88617 £/€).
 2. Asset classified as held for sale.

	Total surface (m ²)	Residents	Children	Contractual rents	Estimated rental value (ERV)	Year of build/renovation	Location
Koy Nurmijärven Ratakuja	856	20	-	€185,721		2017	Nurmijärvi
Koy Rovaniemen Matkavaarantie	977	21	-	€182,139		2018	Rovaniemi
Koy Mikkelin Ylänettie 8	982	22	-	€186,669		2018	Mikkeli
Koy Euran Käräjämäentie	2,400	42	-	€114,230		2018	Eura
Koy Vaasan Vanhan Vaasankatu	1,195	25	-	€216,669		2018	Vaasa
Koy Oulun Sarvisuontie	1,190	27	-	€221,329		2019	Oulu
Koy Vihdin Hidenrannantie	1,037	23	-	€222,409		2019	Nummela
Koy Kokkolan Ankurikuja	1,218	31	-	€228,108		2019	Kokkola
Koy Kuopion Portti A2	2,706	65	-	€601,166		2019	Kuopio
Koy Pieksämäen Ruustinnantie	792	20	-	€151,385		2020	Pieksämäki
Koy Kouvolan Ruskeasouunkatu	3,019	60	-	€503,760		2020	Kouvola
Koy Lohjan Sahapiha (care home)	2,470	50	-	€417,900		2021	Lohja
Kotka Metsäkulmankatu	1,521	40	-	€313,500		2010	Kotka
Vasaa Tehokatu	3,068	78	-	€472,399		2010	Vaasa
Oulu Isopurjeentie	3,824	86	-	€690,408		2010	Oulu
Teuva Tuokkolantie	834	18	-	€127,991		2010	Teuva
Koy Oulun Juhlamarssi	2,477	52	-	€435,635		2022	Oulu
Kokkola Metsämäentie	1,078	26	-	€181,000		2014	Kokkola
Kokkola Kärrytie	790	23	-	€165,323		2008	Kokkola
Municipalities (multiple tenants)	42,877	324	2,607	€8,475,105			
Koy Raahen Palokunnanhovi	423	-	60	€80,880		2010	Raahe
Koy Siilinjärven Sinisipi	568	-	72	€101,429		2012	Toivala
Koy Mäntyharjun Lääkärikuja	1,667	41	-	€285,885		2017	Mäntyharju
Koy Uudenkaupungin Merimetsopolku B (PK)	661	-	78	€137,359		2017	Uusikaupunki
Koy Siilinjärven Risulantie	2,286	30	-	€555,881		2018	Siilinjärvi
Koy Ylivieskan Mikontie 1	847	15	-	€220,264		2018	Ylivieska
Koy Ylivieskan Ratakatu 12	1,294	30	-	€294,265		2018	Ylivieska
Koy Raahen Vihastenkäritatu	800	-	120	€154,294		2018	Raahe
Koy Jyväskylän Ailakinkatu	1,542	-	150	€392,130		2019	Jyväskylä
Koy Siilinjärven Nilsäntie	1,086	-	100	€206,112		2019	Siilinjärvi
Koy Laihian Jarrumiehentie	630	-	75	€66,000		2019	Laihia
Koy Mikkelin Sahalantie	1,730	-	150	€444,306		2019	Mikkeli
Koy Rovaniemen Santämäentie	2,200	-	203	€359,629		2020	Rovaniemi
Koy Vaasan Uusmetsäntie	2,519	-	210	€461,784		2020	Vaasa
Koy Oulun Ruismetsä	2,140	-	205	€464,268		2020	Oulu
Oulun Salonpäänn koulu	2,026	-	206	€597,600		2021	Oulunsalo
Koy Kuopion Männistöntökatu PK	2,104	-	168	€308,336		2021	Kuopio
Koy Oulun Valjastie (Hintta)	1,901	-	150	€439,560		2021	Oulu
Raahe care home	2,450	60	-	€432,059		2021	Raahe
Kaskinen Bladintie	600	13	-	€107,988		2009	Kaskinen
Kokkola Ilkantie	3,353	73	-	€672,623		2016	Kokkola
Helsinki Kansantie	3,654	-	360	€622,104		2022	Helsinki
Kerava Lehmuskatu	2,990	62	-	€432,261		2022	Kerava
Oulu Riiastaka	3,406	-	300	€638,088		2022	Oulu
Mehiläinen	25,617	573	-	€5,211,173			
Koy Porin Ojantie	1,629	40	-	€346,642		2015	Pori
Koy Jyväskylän Väliharjuntie	1,678	42	-	€362,428		2015	Vaajakoski
Koy Espoon Hirvisuontie	823	20	-	€168,988		2017	Espoo
Koy Hollolan Sarkatie	1,663	42	-	€370,352		2017	Hollola
Koy Hämeenlinnan Jukolanraitti	1,925	40	-	€350,515		2018	Hämeenlinna
Koy Sipoon Arretie	964	21	-	€184,615		2018	Sipo
Koy Lappeenrannan Orioninkatu	935	22	-	€190,218		2018	Lappeenranta
Koy Porvoon Haarapääskyntie	886	17	-	€141,909		2019	Porvoo
Koy Äänekosken Likolahdenkatu	771	15	-	€134,930		2019	Äänekoski
Koy Kangasalan Reikiäläntie	1,240	28	-	€255,465		2019	Kangasala
Koy Riihimäen Jyrätie	741	16	-	€150,359		2019	Riihimäki
Koy Iisalmen Satamakatu	2,630	53	-	€479,113		2020	Iisalmi
Koy Oulun Siilotie	1,868	45	-	€384,694		2020	Oulu
MT Espoo Kurttilantie	998	26	-	€208,440		2022	Espoo
Jyväskylä Sulkulantie	850	18	-	€146,176		2017	Jyväskylä
Oulun Villa Sulka	2,973	60	-	€687,885		2016	Oulu
Mikkelin Kastanjakuja	963	20	-	€174,298		2019	Mikkeli
Kuopion Oiva	619	17	-	€142,231		2019	Kuopio
Jyväskylä Martikaisentie	832	17	-	€194,272		2014	Jyväskylä
Nokian Luhtatie	630	14	-	€137,643		2018	Nokia
Tohula	20,890	-	2,432	€4,672,215			
Koy Nurmijärven Laidunalue	477	-	57	€97,885		2011	Nurmijärvi
Koy Oulun Paulareitti 1	564	-	72	€125,682		2013	Oulu
Koy Oulun Paulareitti 2	564	-	72	€123,715		2013	Oulu
Koy Kuopion Sipulikatu	564	-	72	€130,139		2013	Kuopio
Koy Porvoon Peippolankuja	564	-	70	€136,337		2014	Porvoo
Koy Pirkkalan Lehtimäentie	734	-	90	€165,079		2014	Pirkkala
Koy Pirkkalan Lehtimäentie	452	-	53	€108,173		2015	Pirkkala
Koy Espoon Falläkerinrinne	891	-	75	€204,571		2014	Espoo
Koy Tampereen Lentävännienkatu 1	737	-	93	€164,214		2015	Tampere
Koy Tampereen Lentävännienkatu 2	468	-	50	€96,854		2019	Tampere
Koy Turun Vähäheikkiläntie	911	-	97	€209,094		2015	Turku
Koy Turun Vähäheikkiläntie	553	-	60	€112,908		2018	Turku
Koy Turun Vakiniituntie	567	-	60	€144,025		2015	Turku
Koy Vantaan Koetilankatu	890	-	108	€215,395		2015	Vantaa
Koy Espoon Tikasmäentie	912	-	108	€209,255		2015	Espoo
Koy Kangasalan Mäntyveräjäntie	561	-	72	€138,544		2015	Kangasala

Corporate governance	Risk factors	Financial statements			Additional information			
		Total surface (m ²)	Residents	Children	Contractual rents	Estimated rental value (ERV)	Year of build/renovation	Location
Koy Ylöjärven Työväentalontie	707	-	84	€154,669		2015	Ylöjärvi	
Koy Vantaan Vuohirinne	896	-	108	€202,099		2016	Vantaa	
Koy Porvoon Vanha Kuninkaantie	670	-	84	€154,851		2016	Porvoon	
Koy Espoon Meriväyläntie	769	-	96	€180,928		2016	Espoo	
Koy Vantaan Punakiventie	484	-	58	€120,928		2016	Vantaa	
Koy Mikkeliin Ylännetti 10	625	-	72	€137,768		2016	Mikkeli	
Koy Espoon Vuoripirintie	472	-	54	€106,928		2016	Espoo	
Koy Kirkkonummen Kotitonttukuja	565	-	72	€139,923		2017	Kirkkonummi	
Koy Varkauden Kaura-ahontie	640	-	75	€120,000		2017	Varkaus	
Koy Varkauden Kaura-ahontie	620	-	75	€113,509		2012	Varkaus	
Koy Kotkan Loitsutie	620	-	78	€120,702		2017	Kotka	
Koy Tornion Torpin Rinnakkaiskatu	635	-	72	€125,553		2017	Tornio	
Koy Lahden Jahtikatu	894	-	72	€239,362		2018	Lahti	
Koy Kalajoen Hannilantie	663	-	75	€126,422		2018	Kalajoki	
Koy Iisalmen Petter Kumpulaisentie	644	-	72	€132,331		2018	Iisalmi	
As Oy Oulun Figuuri	330	-	41	€62,862		2018	Oulu	
As Oy Kangasalan Freesia	252	-	35	€51,509		2018	Kangasala	
Norlandia	21,884	244	1,313	€4,593,435				
Koy Jyväskylän Haperontie	700	-	84	€136,895		2016	Jyväskylä	
Koy Espoon Oppilaantie	1,045	-	120	€199,063		2017	Espoo	
Koy Kuopion Rantaraitti	822	-	96	€163,315		2017	Kuopio	
Koy Ruskon Päälistönmäentie 1	697	-	84	€151,213		2017	Rusko	
Koy Uudenkaupungin Merilinnuntie	702	-	84	€146,974		2018	Uusikaupunki	
Koy Lahden Pilsamikatu	697	-	84	€145,969		2018	Lahti	
Koy Turun Lukkosepänkatu	882	-	100	€190,599		2018	Turku	
Koy Sipoon Aarrepulistonkatu	668	-	75	€146,733		2018	Sipoon	
Koy Sastamalan Tyrvääntykkäntie	706	-	84	€128,924		2018	Sastamala	
Koy Keurun Tehtaan tie	538	-	60	€111,645		2018	Keuruu	
Koy Mynämäen Opitie	697	-	84	€146,546		2019	Mynämäki	
Koy Ruskon Päälistönmäentie 2	505	-	60	€104,801		2019	Rusko	
Koy Haminan Lepikönkatu	575	-	80	€135,683		2019	Hamina	
Koy Jyväskylän Väyäpojanpolku	769	-	84	€161,569		2019	Jyväskylä	
Koy Tuusulan Isokarhunkierto	2,689	46	84	€521,425		2020	Tuusula	
Koy Helsingin Pakarituvantie	5,580	108	50	€1,130,160		2022	Helsinki	
Kuopio Opistotie	3,595	90	-	€871,920		2022	Kuopio	
Pilke	20,203	-	2,346	€4,218,202				
Koy Mäntsälän Liedontie	645	-	66	€153,049		2013	Mäntsälä	
Koy Lahden Vallesmanninkatu	561	-	72	€129,678		2015	Lahti	
Koy Kouvolan Kaartokuja	566	-	68	€132,739		2016	Kouvolan	
Koy Nokian Viikkulankatu	993	-	126	€173,976		2016	Nokia	
Koy Vantaan Tuovintie	584	-	73	€141,873		2016	Vantaa	
Koy Rovaniemen Ritarin tie	1,186	-	132	€281,106		2016	Rovaniemi	
Koy Vantaan Mesikukantie	959	-	120	€191,641		2016	Vantaa	
Koy Vantaan Mesikukantie	531	-	64	€121,025		2018	Vantaa	
Koy Varkauden Savontie	657	-	72	€128,571		2017	Varkaus	
Koy Pirkkalan Perensaarentie	1,313	-	168	€284,198		2017	Pirkkala	
Koy Jyväskylän Mannisenmäentie	916	-	102	€164,966		2017	Jyväskylä	
Koy Kaarinan Nurminitykkä	825	-	96	€171,164		2017	Kaarina	
Koy Porin Koekatu	915	-	96	€180,426		2018	Pori	
Koy Kajaanin Valonkatu	635	-	75	€144,220		2018	Kajaani	
Koy Mikkeliin Vääänäsenpolku	648	-	72	€129,370		2018	Mikkeli	
Koy Sotkamon Kirkotie	547	-	72	€144,111		2018	Sotkamo	
Koy Oulun Soittajanlenki	1,091	-	120	€221,463		2018	Oulu	
Koy Rovaniemen Mäkirannantie	530	-	75	€81,540		1989	Rovaniemi	
Koy Oulun Soittajanlenki, expansion	654	-	75	€136,597		2019	Oulu	
As Oy Lahden Vuorenkilpi	703	-	90	€163,890		2019	Lahti	
Koy Rovaniemen Gardininkuja	653	-	76	€142,421		2020	Rovaniemi	
Koy Kontiolahden Päiväperhosenkatu	690	-	70	€140,429		2020	Lehmo	
Koy Lohjan Sahapiha (day care)	478	-	60	€92,400		2021	Lohja	
Koy Nurmijärvi Luhtavillantie	1,153	-	120	€221,760		2021	Klaukkala	
Kangasalan Topin Mäki	857	-	87	€185,748		2022	Kangasala	
Liminka Saunarannantie	917	-	99	€159,840		2022	Liminka	
Esperi	8,329	194	-	€2,040,561				
Koy Loviisan Mannerheiminkatu	1,133	29	-	€310,062		2015	Loviisa	
Koy Kajaanin Menninkäisen tie	1,178	30	-	€327,600		2016	Kajaani	
Koy Iisalmen Kangasmäentie	802	20	-	€177,816		2018	Iisalmi	
Seinäjoki Kutojankatu	5,217	115	-	€1,225,082		2018	Seinäjoki	
Kristillinen koulu	7,915	-	717	€1,550,733				
Koy Järvenpäään Yliopettajankatu	1,784	-	180	€311,857		2020	Järvenpää	
Koy Espoon Matinkartanontie	6,131	-	537	€1,238,876		2021	Espoo	
Ikifit	6,334	153	-	€1,087,159				
Koy Kangasalan Hilmanhovi	1,484	46	-	€205,519		2009	Kangasala	
Turun Malin Trällinkuja	1,92	50	-	€396,000		2022	Turku	
Koy Tampereen Sisunaukio Care home	2,927	57	-	€485,640		2022	Tampere	
Multiple tenants (Mehiläinen & other)	4,154	53	-	€1,087,043				
Vantaa Asolantie	4,154	53	-	€1,087,043		2012	Vantaa	
KVPS	3,066	59	-	€582,929				
Koy Jyväskylän Palstatie	825	15	-	€146,880		2019	Jyväskylä	
Koy Lahden keva makarantie	791	15	-	€154,168		2020	Lahti	
Koy Helsingin Pakarituvantie (disabled care)	1,450	29	-	€281,880		2022	Helsinki	

	Total surface (m ²)	Residents	Children	Contractual rents	Estimated rental value (ERV)	Year of build/ renovation	Location
Sentica	2,642	-	318	€563,612			
Koy Raison Tenavakatu	622	-	75	€140,163		2013	Raisio
Koy Maskun Ruskontie	1,201	-	147	€260,453		2014 (2018)	Masku
Koy Paimion Mäkiläntie	820	-	96	€162,996		2018	Paimio
Rinnekoti	3,231	68	-	€543,468			
Koy Turun Lemmontie	926	21	-	€166,080		2021	Turku
Oulu Ukkoherrantie A	1,073	21	-	€161,280		2021	Oulu
Jyväskylä Haukankaari	1,232	26	-	€216,108		2022	Jyväskylä
Aspa	2,433	70	-	€443,415			
KEVA Lohja Porapojankuja	774	15	-	€128,254		2021	Lohja
Loimaan Villa Inno	1,093	23	-	€200,340		2019	Loimaan
Kouvolan Oiva	566	32	-	€114,821		2019	Kouvola
Priimi	2,100	-	233	€406,117			
Koy Kuopion Amerikanraitti	1,157	-	142	€236,917		2017 (2021)	Kuopio
Jyväskylä Harjutie	943	-	91	€169,200		2021	Vaajakoski
Hovi Group Oy	1,978	32	-	€349,206			
Nokia Kivimiehenkatu	1,978	32	-	€349,206		2012	Nokia
Musiikkikoulu Rauhala	1,609	-	195	€341,854			
Koy Laukaan Hytösenkuja	730	-	87	€170,607		2015	Laukaa
Koy Laukaan Saratie	879	-	108	€171,246		2018	Laukaa
Peurunka	1,086	22	-	€287,150			
Laukaa Peurungantie	1,086	22	-	€287,150		2020	Laukaa
Paltan Palveluasunnot	1,507	24	54	€282,188			
Koy Turun Paltankatu	1,507	24	54	€282,188		2019	Turku
CTM	1,457	27	-	€278,047			
Koy Janakkalan Kekanahontie	1,457	27	-	€278,047		2019	Janakkala
Pääkaupungin turvakoti	1,018	14	-	€276,204			
Koy Helsingin Työntekijäkotien Seppä 3	1,018	14	-	€276,204		2021	Helsinki
Pihlajantertut	1,613	33	-	€261,305			
Espoo Rajamäynyhde	1,613	33	-	€261,305		2002	Espoo
Rebekan Hoitokoti	1,222	30	-	€256,506			
Koy Iisalmen Vemmekuja	1,222	30	-	€256,506		2019	Iisalmi
Validia	1,053	17	-	€250,224			
Koy Kuusankosken Keva	1,053	17	-	€250,224		2021	Kouvola
Sotehotellit	1,521	32	-	€246,638			
Koy Ulvilan Kulmalantie	1,521	32	-	€246,638		2020	Ulvila
Huhtihovi	1,199	30	-	€241,200			
Salo Papinkuja	1,199	30	-	€241,200		2021	Salo
K-P Hoitopalvelu	911	25	-	€227,498			
Koy Kokkolan Vanha Ouluntie	911	25	-	€227,498		2017	Kokkola
Suomen Kristilliset Hoivakodit	1,178	27	-	€226,548			
Koy Kajaani Uiton tie	1,178	27	-	€226,548		2021	Kajaani
Siriuspäiväkodit	985	-	108	€219,887			
Koy Limingan Kauppankäari	564	-	72	€133,056		2013	Tupos
Koy Oulunsalon Vihannestie	421	-	36	€86,831		2021	Oulu
Dagmaria	1,199	32	-	€217,757			
Koy Porin Kärttie	1,199	32	-	€217,757		2021	Pori
Tampereen ensiä turvakoti	950	18	-	€212,107			
Tampereen Haiharansuu	950	18	-	€212,107		2022	Tampere
Serafiinakoti	1,180	30	-	€208,764			
Hämeenlinna Kampuskaarre	1,180	30	-	€208,764		2021	Hämeenlinna
Förkkeli	1,096	16	-	€201,984			
Oulun Maininki	1,096	16	-	€201,984		2017	Oulu
Vantaan Turvakoti	844	14	-	€193,833			
Koy Vantaan Koivukylän Puistotie	844	14	-	€193,833		2019	Vantaa
Autismisäätiö	1,042	12	-	€184,800			
Koy Kotka Särmääjänkätku	1,042	12	-	€184,800		2021	Kotka
Lapin Turkoosi Oy	960	-	120	€173,310			
Koy Rovaniemen Muonakuja	960	-	120	€173,310		2020	Rovaniemi
Folkhälsoan	783	-	84	€151,945			
Koy Turun Teollisuuskatu	783	-	84	€151,945		2017	Turku
Peikkometsä	659	-	72	€147,937			
Koy Lahden Kurenniityntie	659	-	72	€147,937		2020	Villahde
Kotoisin	824	18	-	€147,600			
Koy Kempelen Ihmemaantie	824	18	-	€147,600		2021	Kempele
Tuike	677	-	75	€142,170			
Koy Iisalmen Eteläinen Puistoraitti	677	-	75	€142,170		2018	Iisalmi
Jaarlin Päiväkodit	565	-	72	€130,719			
Koy Hämeenlinnan Vanha Alikartanontie	565	-	72	€130,719		2015	Hämeenlinna
Pikkututkija	703	-	70	€130,200			
Tampere Sisunaukio (childcare)	703	-	70	€130,200		2022	Tampere
Hoitokoti Äänenniemen Helmi Oy	624	15	-	€132,000			
Äänekoski Ääneniementie	624	15	-	€132,000		2022	Helsinki
Murunen	430	-	55	€102,036			
Koy Ylivieskan Alpuminttie	430	-	55	€102,036		2019	Ylivieska
Pikkutassu	646	-	72	€99,600			
Koy Kajaanin Hoikankatu	646	-	72	€99,600		2019	Kajaani
Vacant	1,425	35	-	-			
Vaasa Mäkikaivontie	1,425	35	-	-		2010	Vaasa

Corporate governance	Risk factors	Financial statements	Additional information
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	Total surface (m ²)	Residents	Children	Contractual rents	Estimated rental value (ERV)	Year of build/renovation	Location
Sweden 1	17,323	140	610	€3,866,106 SEK43,187,062	€4,029,947 SEK45,017,276		
Olivia Omsorg	3,128	36	-	SEK 8,313,911			
Gråmunkehöga 3:2	494	6	-	SEK 1,408,464		2020	Uppsala
Vallby 28:2	494	6	-	SEK 1,362,444		2021	Tierp
Almungeberg 1:21	535	6	-	SEK 1,342,349		2018	Uppsala
Hässlinge 2:3	1,070	12	-	SEK 2,786,485		2018 (2020)	Enköping
Almungeberg 1:22	535	6	-	SEK 1,414,169		2021	Uppsala
Ambea	2,272	30	-	SEK 5,569,392			
Emmekalv 4:325	540	6	-	SEK 1,445,596		2019	Oskarshamn
Steglitsan 2	800	12	-	SEK 2,061,898		2020	Växjö
Saga 2	932	12	-	SEK 2,061,898		2021	Växjö
Kunskapsförskolan	2,244	-	250	SEK 5,434,824			
Östhamra 1:52	1,158	-	125	SEK 2,838,372		2020	Norrtälje
Paradiset 2	1,086	-	125	SEK 2,596,452		2020	Älmhult
Humana	1,610	18	-	SEK 4,268,295			
Nyby 3:68	540	6	-	SEK 1,422,710		2019	Laholm
Hovsta Gryt 7:2	535	6	-	SEK 1,422,710		2019	Örebro
Törsjö 3:204	535	6	-	SEK 1,422,875		2021	Örebro
Frösunda Omsorg	1,668	18	-	SEK 3,975,141			
Bälinge Lövsta 9:19	540	6	-	SEK 1,326,426		2012	Uppsala
Sunnersta 120:2 & 120:4	593	6	-	SEK 1,326,426		2013	Uppsala
Bälinge Lövsta 10:140	535	6	-	SEK 1,322,289		2013	Uppsala
British mini	1,499	-	140	SEK 3,532,976			
Mesta 6:56	1,499	-	140	SEK 3,532,976		2020	Eskilstuna
TP	1,097	-	120	SEK 2,408,112			
Kalleberga 8:269	1,097	-	120	SEK 2,408,112		2021	Kallinge
Norlandia	905	-	100	SEK 2,260,008			
Eds Prästgård 1:115	905	-	100	SEK 2,260,008		2021	Upplands Väsby
Multiple tenants	832	14	-	SEK 1,730,959			
Borggård 1:553	832	14	-	SEK 1,730,959		2022	Staffanstorp
Ersta Diakoni	535	6	-	SEK 1,466,544			
Västlunda 2:12	535	6	-	SEK 1,466,544		2020	Vallentuna
MoGård	540	6	-	SEK 1,435,116			
Anderbäck 1:60	540	6	-	SEK 1,435,116		2020	Nyköping
Serigma KAS	500	6	-	SEK 1,400,004			
Fanna 24:19	500	6	-	SEK 1,400,004		2022	Enköping
Caritas Fastigheter AB	494	6	-	SEK 1,391,780			
Heby 3:17	494	6	-	SEK 1,391,780		2020	Heby
Ireland	72,494	1,465	-	€14,954,919	€14,328,794		
Bartra Healthcare	21,118	462	-	€6,677,000			
Loughshinny Nursing Home	5,649	123	-	€1,437,500		2019	Dublin
Northwood Nursing Home	5,074	118	-	€1,391,500		2020	Dublin
Beaumont Lodge	10,395	221	-	€3,848,000		2020	Dublin
Virtue	32,034	572	-	€4,673,419			
Bridhaven	7,299	184	-	€1,535,000		1989	Mallow
Waterford	3,888	64	-	€555,304		2018	Waterford
New Ross	3,200	62	-	€398,957		2018	New Ross
Bunclody	5,590	62	-	€372,000		2018	Bunclody
Killerig	4,800	45	-	€183,304		2016	Killerig
Altadore	3,340	66	-	€991,855		2015	Glenageary
Craddock House	3,917	89	-	€637,000		2017	Naas
Silver Stream Healthcare	15,965	346	-	€2,849,000			
Dundalk Nursing Home	6,002	130	-	€1,077,000		2022	Dundalk
Duleek Nursing Home	5,498	120	-	€997,000		2022	Duleek
Riverstick Nursing Home	4,465	96	-	€775,000		2022	Riverstick
Coolmine Caring Services Group	3,377	85	-	€755,500			
Milbrook Manor	3,377	85	-	€755,500		2001	Saggart
Investment properties in joint venture – 50% share held by Aedifica	6,537	84	-	€1,137,659	€1,137,659		
Netherlands	13,073	167	-	€2,275,319			
Korian Netherlands	13,073	167	-	€2,275,319			
HGH Lelystad	4,301	45	-	€603,978		2022	Lelystad
Zorghuis Hengelo	1,288	21	-	€215,871		2017	Hengelo
Villa Horst en Berg	2,634	36	-	€495,000		2022	Soest
Villa Florian	2,700	29	-	€508,470		2022	Blaricum
Villa den Haen	2,150	36	-	€452,000		2022	Woudenberg

1. Amounts in SEK were converted into € based on the exchange rate of 31 December 2022 (11.17069 SEK/€).

	Total surface (m ²)	Residents	Children	Contractual rents	Estimated rental value (ERV)	Year of build/renovation	Location
Investment properties in development ¹	101,685	1,672	-	€2,051,949			
Germany	45,618	734	-	€403,454			
Specht & Tegeler	22,369	360	-	€220,394			
Stadtlohn	6,357	100	-	€57,345	PROJECT	Stadtlohn	
Uetze	7,138	112	-	€50,400	PROJECT	Uetze	
Fredenbeck	5,595	94	-	€28,710	PROJECT	Fredenbeck	
Hamburg-Rissen	3,279	54	-	€83,939	PROJECT	Hamburg	
Specht Gruppe	17,237	284	-	€138,240			
Seniorenquartier Gera	6,673	123	-	€19,440	PROJECT	Gera	
Seniorenquartier Gummersbach	10,564	161	-	€118,800	PROJECT	Gummersbach	
EMVIA	6,012	90	-	€44,820			
Sehnde	6,012	90	-	€44,820	PROJECT	Sehnde	
Netherlands	23,296	308	-	€1,149,295			
Warm Hart	2,114	27	-	€372,600			
Oosterbeek Warm Hart	2,114	27	-	€372,600	PROJECT	Oosterbeek	
SVE	4,981	52	-	€211,470			
Hilversum SVE	4,981	52	-	€211,470	PROJECT	Hilversum	
Korian Netherlands	4,098	53	-	€176,875			
Villa Meirin	2,175	27	-	€71,875	PROJECT	Witmarsum	
Natatorium	1,923	26	-	€105,000	PROJECT	Velp	
Stichting Fundis	4,738	60	-	€175,800			
Alphen Raadhuisstraat	2,307	27	-	€83,250	PROJECT	Alphen a/d Rijn	
Waarder Molendijk	2,431	33	-	€92,550	PROJECT	Waarder	
Saamborgh	2,550	38	-	€122,550			
Tiel Bladergroenstraat	2,550	38	-	€122,550	PROJECT	Tiel	
Valuas Zorggroep	1,925	26	-	€90,000			
Residence Coestraete	1,925	26	-	€90,000	PROJECT	Zwolle	
Amado Almere - Stichting Pinahuis	2,890	52	-	-			
De Volder Staete	2,890	52	-	-	PROJECT	Almere	
Ireland	24,322	470	-	€424,200			
Virtue	6,063	119	-	€253,000			
Dublin Stepaside	6,063	119	-	€253,000	PROJECT	Kilgobbin	
Coolmine Caring Services Group	11,085	202	-	€171,200			
St. Doolagh's	5,513	97	-	€132,500	PROJECT	Balgriffin	
Sligo Finisklin Road	5,572	105	-	€38,700	PROJECT	Sligo	
Bartra Healthcare	7,174	149	-	-			
Dublin Crumlin	7,174	149	-	-	PROJECT	Dublin	
Spain	8,449	160	-	€75,000			
Neurocare Promociones	8,449	160	-	€75,000			
Tomares Miró	8,449	160	-	€75,000	PROJECT	Tomares	
Investment properties in development in joint venture – 50% share held by Aedifica	2,456	34	-	€69,378			
Netherlands	4,911	68	-	€138,757			
Korian Netherlands	4,911	68	-	€138,757			
Het Gouden Hart Almere	4,911	68	-	€138,757	PROJECT	Almere	
Total investment properties	2,202,717	35,580	11,553	€300,452,979	€299,216,681		

1. Although still under construction, these sites already generate limited rental income. This explains why they are included in this table and why the estimated rental value is not mentioned.

3. External verification

3.1 Valuation experts' report¹

Aedifica assigned to each of the eleven valuation experts the task of determining the fair value (from which the investment value is derived²) 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'.

Each of the eleven valuation experts has confirmed that:

- they acted individually as valuation expert and have a relevant and recognised qualification, as well as an ongoing experience for the location and the type of buildings they assessed;
- their opinion of fair value was primarily derived using comparable recent market transactions on arm's length terms;
- the relevant properties were considered in the context of current leases and of all rights and obligations that these commitments entail;
- they evaluated each entity individually;
- that their assessment:
 - does not take into account a potential value that can be generated by offering the whole portfolio on the market;
 - does not take into account selling costs applicable to a specific transaction, such as brokerage fees or advertising;
 - is 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); and
 - is made under the assumption that no non-communicated piece of information is likely to affect the value of the property;
- they assumed the information provided to them to be accurate and complete.

Based on the eleven assessments, the consolidated fair value of the portfolio amounted to €5,657,899,418³ as of 31 December 2022 including 100% of the fair value of the assets held by the partners of the partnership AK JV NL or €5,633,399,418 after deduction of the 50% share in the partnership AK JV NL held by the other partner company. The marketable investment properties⁴ held by Aedifica group amounted to €5,449,104,295 (excluding 50% of the value of the assets held by the other partner company in AK JV NL). Contractual rents amounted to €300,452,979 which corresponds to an initial rental yield of 5.51% compared to the fair value of marketable investment properties. The current occupancy rate amounts to 99.6%. Assuming that the marketable investment properties are 100% rented and that the current vacancy is let at market rent, contractual rent would amount to €301,705,554, i.e. an initial yield of 5.54% compared to the fair value of the marketable investment properties.

The above-mentioned 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 31/12/2022 (0.88617 £/€ and 11.17069 SEK/€) into account.

As of 31 December 2022:

- the consolidated fair value of the assets located in Belgium amounted to €1,302,937,979; including €1,299,390,133 for marketable investment properties. Contractual rents amounted to €70,880,099 which corresponds to an initial yield of 5.5% to the fair value of the marketable investment properties.
- the consolidated fair value of the assets located in Germany amounted to €1,232,197,000; including €1,197,566,136 for marketable investment properties. Contractual rents amounted to €61,102,908 which corresponds to an initial yield of 5.1% to the fair value of the marketable investment properties.
- the consolidated fair value of the assets located in the Netherlands amounted to €679,440,000 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 €640,102,400. Contractual rents amounted to €36,042,777 which corresponds to an initial yield of 5.6% to the fair value of the marketable investment properties.
- the consolidated fair value of the assets located in the United Kingdom amounted to £880,931,000; including £850,496,613 for marketable investment properties. Contractual rents amounted to £54,347,359 which corresponds to an initial yield of 6.4% to the fair value of the marketable investment properties.

1. The expert report was reproduced with the agreement of Cushman & Wakefield Belgium NV/SA, Stadim BV/SRL, CBRE GmbH, Jones Lang LaSalle SE, Cushman & Wakefield Netherlands BV, CBRE Valuation & Advisory Services BV, Cushman & Wakefield Debenham Tie Leung Limited, Jones Lang LaSalle Finland Oy, JLL Valuation AB, CBRE Unlimited Company and Jones Lang LaSalle España SA. The sum of all elements of the portfolio individually assessed by the abovementioned 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.

- the consolidated fair value of the assets located in Finland amounted to €1,016,577,500; including €984,800,000 for marketable investment properties. Contractual rents amounted to €51,778,693 which corresponds to an initial yield of 5.3% to the fair value of the marketable investment properties.
- the consolidated fair value of the assets located in Sweden amounted to SEK 882,600,000; including SEK 858,800,000 for marketable investment properties. Contractual rents amounted to SEK 43,187,062 which corresponds to an initial yield of 5.0% to the fair value of the marketable investment properties.
- the consolidated fair value of the assets located in Ireland amounted to €348,670,000; including €289,126,332 for marketable investment properties. Contractual rents amounted to €15,379,119 which corresponds to an initial yield of 5.3% to the fair value of the marketable investment properties.
- the consolidated fair value of the assets located in Spain amounted to €4,980,000; including €1,500,000 for marketable investment properties. Contractual rents amounted to €75,000 which corresponds to an initial yield of 5.0% 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.

Opinions of the valuation experts¹

Valuation expert		Fair value of valued assets of portfolio as of 31 December 2022	Investment value (before deduction of transfer costs ²)
BE Cushman & Wakefield Belgium SA	Emeric Inghels	€677,772,000	€694,995,000
BE Stadim BV	Céline Janssens & Dennis Weyts	€625,165,979	€640,795,561
DE CBRE GmbH	Danilo Tietz & Karina Melskens	€695,760,000	€741,587,682
DE Jones Lang LaSalle SE	Gregor Claasen	€536,437,000	€578,181,037
NL Cushman & Wakefield Netherlands BV	Jan Vriend & Niek Drent	€573,920,000 ³	€619,450,000 ³
NL CBRE Valuation & Advisory Services BV	Roderick Smorenburg & Annette Postma	€105,520,000 ³	€116,060,673 ³
UK Cushman & Wakefield Debenhams Tie Leung Limited	Tom Robinson	£880,931,000 (€994,086,587 ⁴)	£939,373,646 (€1,060,036,191 ⁴)
FI Jones Lang LaSalle Finland Oy	Kimmo Kostiainen	€1,016,577,500	€1,041,991,938
SE JLL Valuation AB	Patrik Lofvenberg	SEK 882,600,000 (€79,010,352 ⁵)	SEK 896,040,609 (€80,213,555 ⁵)
IE CBRE Unlimited Company	Maureen Bayley	€348,670,000	€383,387,911
ES Jones Lang LaSalle España SA	Lourdes Pérez Carrasco & Felix Painchaud	€4,980,000	€5,080,000
Adjustments for the value of assets held by partners of the partnership AK JV NL		- €24,500,000	- €26,500,000
Total		€5,633,399,418	€5,935,279,548
of which:			
Marketable investment properties		€5,365,071,327	€5,648,426,433
Development projects		€184,295,123	€197,427,169
Assets classified as held for sale		€84,032,968	€89,425,946

1. The valuation expert values only a part of Aedifica's portfolio and does not take responsibility for the valuation of the portfolio as a whole. The valuation expert therefore signs only for the accuracy of the figures of the assets he values. 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, Sweden, Ireland and Spain are not concerned by this footnote. In the assessment of their investment value, the usual local transfer costs and professional fees are taken into account.

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 0.88617 £/€ as per 31/12/2022.

5. Based on the exchange rate of 11.17069 SEK/€ as per 31/12/2022.



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Independent auditor's report to the general meeting of Aedifica SA for the year ended 31 December 2022

In the context of the statutory audit of the Consolidated Financial Statements) of Aedifica SA (the "Company") and its subsidiaries (together the "Group"), we report to you as statutory auditor. This report includes our opinion on the consolidated Balance Sheet as at 31 December 2022, 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 ended 31 December 2022 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 one report and are inseparable.

We have been appointed as statutory auditor by the shareholders' meeting of 11 May 2021, 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 2023. We performed the audit of the Consolidated Financial Statements of the Group during 11 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 2022, 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 € 6.085.540 thousand and of which the consolidated income statement shows a profit for the year of € 331.731 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 2022, 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 ("ISA's") applicable in Belgium. In addition, we have applied the ISA's approved by the International Auditing and Assurance Standards Board ("IAASB") that apply at the current year-end date and have not yet been approved at national level. 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.



Audit report dated 3 April 2023 on the Consolidated Financial Statements of Aedifica SA as of and for the year ended 31 December 2022 (continued)

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.

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 (93%) of the assets of the Group.

In accordance with the accounting policies and IAS 40 standard "Investment property", investment property is measured 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 in the fair value hierarchy as defined within the IFRS 13 standard "Fair Value Measurement". Some assumptions used for valuation purposes are based on data that can be observed only to a limited extent (discount rate, future occupancy rate, ...) and therefore require judgement from management. The audit risk appears in the valuation of these investment properties and is therefore considered a Key Audit Matter.

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 valuation experts). More precisely, we have:

- assessed the objectivity, the independence and the competence of the external experts,
- tested the integrity of source data (contractual rentals, maturities of the rental contracts, ...) used in their calculations and reconciled with underlying contracts,

- assessed the models and assumptions used in their reports (discount rates, future occupancy rates, ...).

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. In accordance with IFRS 9 "Financial Instruments: Recognition and Measurement", these derivatives are valued at fair value (considered to belong to the level 2 in 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 classify 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 complexities involved in determining the fair value of these derivatives and on the other hand in the correct application of hedge accounting for the IRS contracts that were classified by the Group as cash flow hedges and are therefore a key audit matter.

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.

Audit report dated 3 April 2023 on the Consolidated Financial Statements of Aedifica SA as of and for the year ended 31 December 2022 (continued)

- Regarding the correct application of hedge accounting, we have evaluated 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 over-hedging which could potentially jeopardize the application of hedge accounting.
- Finally, we have assessed the appropriateness of the information on the financial instruments disclosed in note 33 of the Consolidated Financial Statements.

Impairment test on goodwill of Hoivatilat

Description of the key audit matter

In January 2020, Aedifica acquired its Finnish subsidiary Hoivatilat resulting in a goodwill in Aedifica NV's Consolidated Financial Statements amounting to EUR 161,7 million.

In conformity with IAS 36 "Impairment of Assets", the Group carries out impairment tests at least annually or more frequently if indicators of impairment are present. Management's assessment of potential impairments on this recorded goodwill is based on a comparison of the carrying value of the cash-generating units ("CGUs") to which goodwill has been allocated with the fair value less costs to sell of the CGUs. The assessment is an estimation process that requires estimates and judgments by management of the assumptions used, including the determination of Hoivatilat's future cash flows as well as the determination of the discount rate and indexation rate used, which are complex and subjective. Changes in these assumptions could lead to material changes in the estimated fair value less cost to sell, which has a potential impact on potential impairments to be recorded at the level of goodwill and are therefore considered as a Key Audit Matter. Aedifica recognized a goodwill impairment of €18,1 million in 2022.

Summary of the procedures performed

- We have obtained an understanding of the process for management's identification of impairment indicators;
- We have assessed the valuation methods used by management to determine the fair value less cost to sell of Hoivatilat as well as the reasonableness of the key assumptions (discount rate, indexation rate and future cash flows) (with the help of our internal valuation specialists);
- We have assessed the reasonableness of future cash flows included in the goodwill valuation test based on historical results and the available business plan
- We have verified that those future cash flows are based on business plans approved by the Board of Directors;
- We have tested the mathematical accuracy of valuation models;
- We have assessed the accuracy of management's sensitivity analysis;
- We have assessed the adequacy and completeness of the information 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.



Audit report dated 3 April 2023 on the Consolidated Financial Statements of Aedifica SA as of and for the year ended 31 December 2022 (continued)

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 ISA's 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.

In performing our audit, we comply with the legal, regulatory and normative framework that applies to the audit of the Consolidated Financial Statements in Belgium. However, a statutory audit does not provide assurance about the future viability of the Company and the Group, nor about the efficiency or effectiveness with which the board of directors has taken or will undertake the Company's and the Group's business operations. Our responsibilities with regards to the going concern assumption used by the board of directors are described below.

As part of an audit in accordance with ISA's, 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,

Audit report dated 3 April 2023 on the Consolidated Financial Statements of Aedifica SA as of and for the year ended 31 December 2022 (continued)

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.

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, 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 ISA's applicable in Belgium, it is our responsibility to verify, in all material respects, the Board of Directors' report on the Consolidated Financial Statements, 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 2022 p.86-89
- EPRA p.208-221

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.

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.

European single electronic format ("ESEF")

In accordance with the standard on the audit of the conformity of the financial statements with the



**Audit report dated 3 April 2023 on the Consolidated Financial
Statements of Aedifica SA as of and for the year
ended 31 December 2022 (continued)**

European single electronic format (hereinafter "ESEF"), we have carried out the audit of the compliance of the ESEF format with the regulatory technical standards set by the European Delegated Regulation No 2019/815 of 17 December 2018 (hereinafter: "Delegated Regulation").

The board of directors is responsible for the preparation, in accordance with the ESEF requirements, of the consolidated financial statements in the form of an electronic file in ESEF format (hereinafter 'the digital consolidated financial statements') included in the annual financial report available on the portal of the FSMA (<https://www.fsma.be/en/data-portal>).

It is our responsibility to obtain sufficient and appropriate supporting evidence to conclude that the format and markup language of the digital consolidated financial statements comply in all material respects with the ESEF requirements under the Delegated Regulation.

Based on the work performed by us, we conclude that the format and tagging of information in the digital consolidated financial statements of Aedifica SA per 31 December 2022 included in the annual financial report available on the portal of the FSMA (<https://www.fsma.be/en/data-portal>) are, in all material respects, in accordance with the ESEF requirements under the Delegated Regulation.

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, 3 April 2023

EY Bedrijfsrevisoren BV
Statutory auditor
Represented by

Joeri Klaykens *
Partner
*Acting on behalf of a BV/SRL

23JK0169



EY Bedrijfsrevisoren
EY Réviseurs d'Entreprises
De Kleetlaan 2
B-1831 Diegem

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Statutory auditor's report on the consolidated financial forecasts of Aedifica nv/sa

As a statutory auditor of the company, we have, upon request by the Board of Directors, prepared the present report on the forecasts of the EPRA earnings (as defined in August 2011 and amended in October 2019 in the report "Best Practices Recommendations" of the European Public Real Estate Association) per share for the 12 months periods ending 31 December 2023 (the "Forecast") of Aedifica nv/sa, included in Chapter 2 "Outlook for 2023" of the Caption "Financial report" of Aedifica's Annual Financial Report as approved by the Board of Directors of the company on 15 February 2023.

The assumptions included in Chapter 2 "Outlook for 2023" of the Caption "Financial report" of Aedifica's Annual Financial Report result in the following forecasts of the EPRA earnings for the accounting year ending 2023:

EPRA Earnings, per share, in EUR: 5,03 EUR

Board of Director's responsibility

It is the Company's board of directors' responsibility to prepare the consolidated financial forecasts and the main assumptions upon which the Forecast is based.

Auditor's responsibility

It is our responsibility to provide an opinion on the consolidated financial forecasts, prepared appropriately on the basis of the above assumptions. We are not required nor do we express an opinion on the possibility to achieve that result or on the assumptions underlying this Forecast.

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 Forecast with the accounting policies normally adopted by Aedifica nv/sa.

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.



Building a better
working world

**Statutory auditor's report of 3 April 2023
on the consolidated financial forecasts
of Aedifica nv/sa**

Opinion

We have examined the EPRA earnings per share of Aedifica nv/sa for the 12 months periods ending 31 December 2023 in accordance with the International Standard on Assurance Engagements applicable to the examination of prospective financial information. Board of Director's is responsible for the forecast including the assumptions referenced above. In our opinion the forecast is properly prepared on the basis of the assumptions and is presented in accordance with the accounting policies applied by Aedifica nv/sa for the consolidated financial statements of 2022.

Since the Forecast 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.

Brussels, 3 April 2023

EY Réviseurs d'Entreprises SRL
Statutory auditor
represented by

Joeri Klaykens*
Partner
* Acting on behalf of a SRL

23JK0170

4. Standing documents

4.1 General information

4.1.1 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 ('Public RREC' or 'RREC'), 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').

4.1.2 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.

The information on the Company's website is not incorporated by reference in, and does not form part of, this document as Universal Registration Document.

4.1.3 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 Nerincx, 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.

4.1.4 Registry of Legal Entities and Legal Entity Identifier

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 and has 529900DTKNXL0AXQFN28 as Legal Entity Identifier (LEI).

4.1.5 Duration (Article 5 of the Articles of Association)

The Company is incorporated for an indefinite duration.

4.1.6 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.

4.1.7 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.

4.1.8 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.

4.1.9 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.

4.1.10 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, with registered office located at De Kleetlaan 2, 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 11 May 2021, and receives an indexed audit fee of €55,000 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).

4.1.11 Valuation experts

To avoid conflicts of interest, Aedifica's real estate portfolio is assessed by eleven independent valuation experts, namely:

- Cushman & Wakefield Belgium NV/SA, represented (within the meaning of Article 24 of the RREC Act) by Mr Emeric Inghels, with registered offices at avenue marnix 23 (5th floor), 1000 Brussels;
- Stadim BV/SRL, represented (within the meaning of Article 24 of the RREC Act) by Ms Céline Janssens and Mr Dennis Weyts, with registered offices at Mechelsesteenweg 180, 2018 Antwerp;
- CBRE GmbH, represented (within the meaning of Article 24 of the RREC Act) by Mr Danilo Tietz and Ms Karina Melskens, with registered offices at Bockenheimer Landstrasse 24 (WestendDuo), 60323 Frankfurt;
- Jones Lang LaSalle SE, represented (within the meaning of Article 24 of the RREC Act) by Mr Gregor Claasen, with registered offices at Bockenheimer Landstrasse 55, 60325 Frankfurt;
- Cushman & Wakefield Netherlands BV, represented (within the meaning of Article 24 of the RREC Act) by Mr Jan Vriend and Mr Niek Drent, with registered offices at Gustav Mahlerlaan 362-364, 1082 ME Amsterdam;
- CBRE Valuation & Advisory Services BV, represented (within the meaning of Article 24 of the RREC Act) by Mr Roderick Smorenburg and Mr Annette Postma, with registered offices at Anthony Fokkerweg 15, 1059 CM Amsterdam;
- Cushman & Wakefield Debenham Tie Leung Ltd, represented (within the meaning of Article 24 of the RREC Act) by Mr Tom Robinson, with registered offices at 125 Old Broad Street, London EC2N 1AR;
- Jones Lang LaSalle Finland Oy, represented (within the meaning of Article 24 of the RREC Act) by Mr Kimmo Kostiainen, with registered offices at Keskuskatu 5 B in 00100 Helsinki;
- JLL Valuation AB, represented (within the meaning of Article 24 of the RREC Act) by Mr Patrik Lofvenberg, with registered offices at Birger Jarlsgatan 25, 111 45 Stockholm;
- CBRE Unlimited Company, represented (within the meaning of Article 24 of the RREC Act) by Ms Maureen Bayley, with registered offices at 1 Burlington Road (3rd floor Connaught House), Dublin 4;
- Jones Lang LaSalle España SA, represented (within the meaning of Article 24 of the RREC Act) by Ms Lourdes Pérez Carrasco and Mr Felix Painchaud, with registered offices at Paseo de la Castellana, 79, 28046 Madrid.

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.

4.1.12 Financial services

Aedifica has established financial service conventions with the 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);
- Bank Degroof NV/SA, located rue Guimard 18 in 1040 Brussels (liquidity agent);
- KBC Bank NV/SA, located avenue du Port 2 in 1080 Brussels (liquidity agent).

In 2022, the remuneration for financial services amounted to €163 k (€244 k for the 2021 financial year).

4.1.13 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.

4.1.14 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.

4.1.15 Information incorporated by reference

The following information is incorporated into this 2022 Annual Report by way of reference, and is available at Aedifica's head office and on the Company's website. The table below always refers to the online English versions of the documents, as available on the Company's website.

Information included by way of reference	Document
Operating Activities	2021 Annual Financial Report <ul style="list-style-type: none"> Aedifica in 2021 (p14-31) Our Strategy (p32-37) Business Review (p38) Financial Report – 1. Our Investments (p40-48) Financial Report – 2. COVID-19 Impact (p49) Property Report – 1. Our Portfolio as of 31 December 2021 (p60-66) Property Report – 2. Summary of investment properties (p67-85)
	2019/2020 Annual Financial Report <ul style="list-style-type: none"> This is Aedifica (p7-17) Our Strategy (p18-28) Management Report (p29-30) Management Report – 1. Important Events (p31-40) Management Report – 2. COVID-19 Impact (p41) Property Report – 2. Portfolio Analysis as of 31 December 2020 (p82-85) Property Report – 3. Summary of Investment Properties as of 31 December 2020 (p86-104)
Main Markets	2021 Annual Financial Report <ul style="list-style-type: none"> Property Report (p60-89) Financial Statements – 1.6 Notes to the Consolidated Financial Statements – Note 3 Operating Segments (p178-181)
	2019/2020 Annual Financial Report <ul style="list-style-type: none"> Property Report (p77-107) Financial Statements – 1.6 Notes to the Consolidated Financial Statements – Note 3 Operating Segments (p197-201)

Information included by way of reference	Document
Investments and divestments	2021 Annual Financial Report <ul style="list-style-type: none"> Financial Report – 1.1 Investments, Completions and Disposals in 2021 (p40-45) Financial Report – 1.2 Important Events after 31 December 2021 (p46-48) Property Report – 1. Our Portfolio as of 31 December 2021 (p60-62) Financial Statements – 1.6 Notes to the Consolidated Financial Statements – Note 38 Acquisitions and disposals of investment properties (p211-212) Financial Statements – 1.6 Notes to the Consolidated Financial Statements – Note 39 Post-closing Events (p213) 2019/2020 Annual Financial Report <ul style="list-style-type: none"> Management Report – 1.1 Investments, completions and disposals in 2019/2020 (p31-38) Management Report – 1.2 Investments, completions And disposals after December 2020 (p38-39) Property Report – 2. Portfolio analysis as of 31 december 2020 (p82-83) Financial Statements – 1.6 Notes to the Consolidated Financial Statements – Note 38 Acquisitions and disposals of investment properties (p231-232) Financial Statements – 1.6 Notes to the Consolidated Financial Statements – Note 39 Post-closing Events (p233)
Financial Condition and Operating Results	2021 Annual Financial Report <ul style="list-style-type: none"> Financial Report – 1. Our Investments (p40-48) Financial Report – 3. Management of Financial Resources (p 50-51) Financial Report – 4. Summary of the consolidated financial statements (p52-57) Property Report (p60-89) EPRA (p152-163) Financial Statements – 1.6 Notes to the Consolidated Financial Statements – Note 44 Alternative Performance Measures (APMs) (p220-223) Additional Information – 1. External Verification – 1.1 Valuation Experts' Report (p234-235) Additional Information – 2. Standing Documents – 1.16 Significant change of the financial or trading situation (p248) Additional Information – 2. Standing Documents – 1.18 Strategy or factors of governmental, economical, budgetary, monetary or political nature which have substantially influenced, directly or indirectly, Aedifica's operations (p248) 2019/2020 Annual Financial Report <ul style="list-style-type: none"> Management Report – 1. Important Events (p31-40) Management Report – 3. Management of financial resources (p42-44) Management Report – 4. Summary of the consolidated financial statements of 31 december 2020 (p45-52) EPRA (p61-75) Property Report (p77-107) Financial Statements – 1.6 Notes to the Consolidated Financial Statements – Note 44 Alternative Performance Measures (APMs) (p240-243) Standing Documents – 1.16 Significant change of the financial or trading situation (p261) Standing Documents – 1.18 Strategy or factors of governmental, economical, budgetary, monetary or political nature which have substantially influenced, directly or indirectly, Aedifica's operations (p262)
Historical Financial Information	2021 Annual Financial Report <ul style="list-style-type: none"> Financial Statements (p164-231) 2019/2020 Annual Financial Report <ul style="list-style-type: none"> Financial Statements (p182-257)
Statement of the statutory auditor	2021 Annual Financial Report <ul style="list-style-type: none"> Additional Information – 1.2 Independent auditor's report to the general meeting of Aedifica SA for the year ended 31 December 2021 (p236-243) 2019/2020 Annual Financial Report <ul style="list-style-type: none"> Financial Statements – 1.7 Independent auditor's report to the general meeting of Aedifica SA for the year ended 31 December 2020 (p245-249)

Information included by way of reference	Document	
Dividend Policy	2021 Annual Financial Report	Financial Report – 5. Outlook for 2022 (p58-59) Aedifica on the Stockmarket – 2. Dividend (p139)
	2019/2020 Annual Financial Report	Management Report – 5. Outlook for 2021 (p53-54) Aedifica on the Stockmarket – 2. Dividend (p112)
Related Party Transactions	2021 Annual Financial Report	
	2019/2020 Annual Financial Report	Financial Statements – 1.6 Notes to the Consolidated Financial Statements – Note 7 Overheads – Related Party Transactions (p184)
Employees	2021 Annual Financial Report	Financial Statements – 1.6 Notes to the Consolidated Financial Statements – Note 7 Overheads – Related Party Transactions (p204)
	2019/2020 Annual Financial Report	Financial Statements – 1.6 Notes to the Consolidated Financial Statements – Note 7 Overheads – Employee Benefits Expense (p185)

4.1.16 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.

4.1.17 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).

4.1.18 Strategy or factors of governmental, economical, budgetary, monetary or political nature which have substantially influenced, directly or indirectly, Aedifica's operations

See the 'Risk factors' chapter in this Annual Report.

4.1.19 History and evolution of the Company – important events in the development of Aedifica's activities

In addition to paragraph 4.1.3 above, Aedifica's history was marked by its IPO on 23 October 2006 (see the 'Stock market performance' chapter), 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. €5.7 billion.

4.1.20 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.

4.1.21 Statutory limits regarding transfers of shares

There are no statutory limits to transfers of Aedifica shares.

4.2 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 "Immobé 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
12 June 2014	Contribution in kind (Binkom)	12,158,952.00	258,475
		254,292,531.52	9,903,690
30 June 2014	Contribution in kind (plot of land in Tienen)	4,000,000.00	86,952
		266,451,483.52	10,162,165
24 November 2014	Optional dividend	5,763,329.48	218,409
		270,451,483.52	10,249,117
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 Bremsdael)	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
		714,087,021.34	27,061,273
10 July 2020	Contribution in kind (Kleine Veldekens)	11,494,413.08	435,596
		725,581,434.42	27,496,869
27 October 2020	Capital increase through contribution in cash	145,116,265.78	5,499,373
		870,697,700.20	32,996,242
17 December 2020	Contribution in kind (De Gouden Jaren)	2,383,608.51	90,330
		873,081,308.71	33,086,572
15 June 2021	Capital increase through contribution in cash	73,885,794.65	2,800,000
		946,967,103.36	35,886,572
29 June 2021	Contribution in kind (Domaine de la Rose Blanche)	4,868,335.01	184,492
		951,835,438.37	36,071,064
8 September 2021	Contribution in kind (Portfolio of specialist residential care centers in Sweden)	6,256,358.84	237,093
		958,091,797.21	36,308,157
17 May 2022	Contribution in kind (Résidence Véronique)	1,957,234.71	74,172
		960,049,031.92	36,382,329
29 June 2022	Capital increase through contribution in cash	77,184,267.63	2,925,000
		1,037,233,299.55	39,307,329
6 July 2022	Contribution in kind (Militza portfolio)	14,458,236.18	547,914
		1,051,691,535.73	39,855,243

1 Shares without par value.

2 These shares are quoted on the stock market as from 17 May 2022 and give pro rata temporis dividend rights for the 2022 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 29 June 2022 and give pro rata temporis dividend rights for the 2022 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 6 July 2022 and give pro rata temporis dividend rights for the 2022 financial year. For the surplus, they enjoy the same rights and benefits as the other listed shares.

4.3 Extracts from the Articles of Association

4.3.1 Subscribed and fully paid-up capital (Article 6.1 of the Articles of Association)

The capital amounts to €1,051,691,535.73 (one billion fifty-one million six hundred ninety-one thousand five hundred thirty-five euro and seventy-three cents). It is represented by 39,855,243 (thirty-nine million eight hundred fifty-five thousand two hundred forty-three) shares without nominal value, which each represent 1/39,855,243th of the capital. These shares are fully subscribed and paid up.

4.3.2 Acquisition, acceptance as pledge and alienation of own shares (Article 6.2 of the Articles of Association)

The Company may under the conditions set out in the law, acquire, accept as pledge or alienate its own shares and certificates relating thereto.

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.

4.3.3 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.

4.3.4 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 28 July 2022, 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) 20% of the amount of the capital on the date of the extraordinary general meeting of 28 July 2022, 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 28 July 2022, as the case may be, 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 has approved the authorisation (in other words, the sum of the capital increases in application of the proposed authorisations cannot exceed the amount of the capital on the date of the Extraordinary General Meeting that has approved the authorisation).

This authorisation is granted for a renewable period of two years, calculated from the publication of the minutes of the Extraordinary General Meeting of 28 July 2022, 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 realised 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.

4.3.5 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.

4.3.6 Capital reduction (Article 6.6 of the Articles of Association)

The Company may reduce its capital subject to compliance with the relevant statutory provisions.

4.3.7 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 dematerialised 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.

4.3.8 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.

4.3.9 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.

4.3.10 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.

4.3.11 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.

4.3.12 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.

4.3.13 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.

4.3.14 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 present complete the bureau.

4.3.15 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.

4.3.16 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.

4.3.17 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.

4.3.18 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.

4.3.19 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.

4.3.20 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.

4.3.21 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.

4.3.22 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.

4.3.23 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.

4.4 RREC

4.4.1 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 (Belgian Law of 12 May 2014 and Belgian 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 'gereglementeerde vastgoedvennootschap' (GGV, in Dutch), also translated as 'regulated real estate Company' (RREC).

4.4.2 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 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, is distributed in the form of dividends.

Companies – other than RRECs or specialised real estate investment funds – which were, or are, absorbed by the Company, owe an exit tax on 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%. The additional crisis contribution is eliminated as from the 2021 tax year. 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)
As from 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 and amended by Article 20 of the Act of 27 December 2021, RRECs benefit from a reduced withholding tax rate of 15% (instead of 30%), provided that at least 80% 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 80% of the Company's portfolio is exclusively or primarily invested in care and housing units suited for healthcare. Following Brexit, a transition regime has been provided for UK assets acquired prior to 1 January 2021 so that they can be included in the calculation of the 80% threshold until the end of the 2025 financial year. Therefore, if legislation does not change in the meantime, Aedifica estimates that its shareholders will be able to continue to benefit from the reduced withholding tax of 15% until the 2025 financial year (inclusive).

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.

5. EPRA sBPR content table



Aedifica reports according to the European Public Real Estate Association (EPRA) Sustainability Best Practices Recommendations for Sustainability Reporting (sBPR guidelines) to allow for comparisons with other players in the real estate sector. The following table provides an overview of the indicators reported on and where in this report they can be found. The social indicators in the table below are included in the present 2022 Annual Financial Report (AFR). The environmental indicators are included in the table below for the sake of completeness only and will be disclosed in the Environmental Data Report (EDR) to be published in June 2023.

Since 2020, Aedifica has been granted an EPRA sBPR Gold Award for its sustainability reporting year after year.

Sustainability – social indicators		Page number
Diversity-Emp	Employee gender diversity	AFR22 p70
Diversity-Pay	Gender pay ratio	AFR22 p70
Emp-Training	Employee training and development	AFR22 p70
Emp-Dev	Employee performance analysis	AFR22 p70
Emp-Turnover	Employee turnover	AFR22 p70
Emp-New hires	Employee new hires	AFR22 p70
H&S-Emp	Employee health and safety	AFR22 p72
H&S-Asset	Asset health and safety assessments	not applicable
H&S-Comp	Asset health and safety compliance	not applicable
Comty-Eng	Community engagement, impact assessments and development programmes	AFR22 p64
Gov-Board	Composition of the highest governance body	AFR22 p98 & following Corporate Governance Charter p7
Gov-Select	Process for nominating and selecting the highest governance body	AFR22 p98 & following Corporate Governance Charter p8
Gov-Col	Process for managing conflicts of interest	AFR22 p118 & following Corporate Governance Charter p18

Sustainability – environmental indicators		Page number
Elec-Abs	Total electricity consumption	EDR (June 2023)
Elec-LfL	Like-for-like total electricity consumption	EDR (June 2023)
DH&C-Abs	Total district heating & cooling consumption	EDR (June 2023)
DH&C-LfL	Like-for-like total district heating & cooling consumption	EDR (June 2023)
Fuels-Abs	Total fuel consumption	EDR (June 2023)
Fuels-LfL	Like-for-like total fuel consumption	EDR (June 2023)
Energy-Int	Building energy intensity	EDR (June 2023)
GHG-Dir-Abs	Total direct greenhouse gas (GHG) emissions	EDR (June 2023)
GHG-Indir-Abs	Total indirect greenhouse gas (GHG) emissions	EDR (June 2023)
GHG-Dir-LfL	Like-for-like total direct greenhouse gas (GHG) emissions	EDR (June 2023)
GHG-Indir-LfL	Like-for-like total indirect greenhouse gas (GHG) emissions	EDR (June 2023)
GHG-Int	Greenhouse gas (GHG) intensity from building energy consumption	EDR (June 2023)
Water-Abs	Total water consumption	EDR (June 2023)
Water-LfL	Like-for-like total water consumption	EDR (June 2023)
Water-Int	Building water intensity	EDR (June 2023)
Waste-Abs	Total weight of waste by disposal route	EDR (June 2023)
Waste-LfL	Like-for-like total weight of waste by disposal route	EDR (June 2023)
Cert-Tot	Type and number of sustainably certified assets	EDR (June 2023)

6. GRI content index

Aedifica reports according to the Global Reporting Initiative (GRI) standards. The environmental indicators are included in the table below for the sake of completeness only and will be disclosed in the Environmental Data Report (EDR) to be published in June 2023.

6.1 Universal standards

GRI 102: General disclosures	Page number	Comment
1. Organisational profile		
102-1 Name of the organisation		Aedifica
102-2 Activities, brands, products and services	26-29	
102-3 Location of headquarters		Rue Belliard 40 (box 11), B-1040 Brussels
102-4 Location of operations	18	
102-5 Ownership and legal form		Public Limited Liability Company – Public Regulated Real Estate Company under Belgian Law
102-6 Markets served	48-49	
102-7 Scale of the organisation	18-19, 66-67	
102-8 Information on employees and other workers	66-72	
102-9 Supply chain	57-59	
102-10 Significant changes to the organisation and its supply chain	18-21, 47-49	
102-11 Precautionary principle or approach	129-139	
102-12 External activities	32-33, 60-65	
102-13 Membership of associations	65	
2. Strategy		
102-14 Statement from senior decision-maker	16-17	
102-15 Key impacts, risks and opportunities	30, 130-139	
3. Ethics and integrity		
102-16 Values, principles, standards and norms of behavior	74	
102-17 Mechanisms for advice and concerns about ethics	74	
4. Governance		
102-18 Governance structure	98	
102-21 Consulting stakeholders on economic, environmental and social topics	103	
102-22 Composition of the highest governance body and its committees	103-105	EPRA: Gov-Board
102-23 Chair of the highest governance body	104	
102-24 Nominating and selecting the highest governance body	98 & following	EPRA: Gov-Select; Corporate Governance Charter p8
102-25 Conflicts of interest	118-120	EPRA: Gov-Col
102-26 Role of highest governance body in setting purpose, values and strategy	99	
102-28 Evaluating the highest governance body's performance	109	
102-29 Identifying and managing economic, environmental and social impacts	99-100, 106	
102-32 Highest governance body's role in sustainability reporting	99, 106	
102-33 Communicating critical concerns	74	
102-35 Remuneration policies	110	
102-36 Process for determining remuneration	110 & following	
5. Stakeholder engagement		
102-40 List of stakeholder groups	57-58	
102-41 Collective bargaining agreements	70	Staff: Joint Committee 200
102-42 Identifying and selecting stakeholders	57	
102-43 Approach to stakeholder engagement	59 & following	
102-44 Key topics and concerns raised	30, 59 & following	

GRI 102: General disclosures	Page number	Comment
6. Reporting practice		
102-45 Entities included in the consolidated financial statements	124-127	
102-46 Defining report content and topic boundaries		EDR (June 2023)
102-47 List of material topics	30	
102-48 Restatements of information		EDR (June 2023)
102-49 Changes in reporting	30	
102-50 Reporting period		01/01/2022 – 31/12/2022
102-51 Date of most recent report		April 2023
102-52 Reporting cycle		Annually
102-53 Contact point for questions regarding the report		ir@aedifica.eu
102-54 Claims of reporting in accordance with the GRI standards		This report has been prepared in accordance with the GRI standards: core option.
102-55 GRI Content Index	262-264	
102-56 External Assurance	233-242	

6.2 Topic-specific standards

GRI 201: Economic performance	Page number	Comment
201-1 Direct economic value generated and distributed	22-23, 77-95	
201-2 Financial implications and other risks and opportunities due to climate change	134	
GRI 203: Indirect economic impacts		
203-1 Infrastructure investments and services supported	18-19, 59, 64, 78-81	
GRI 205: Anti-corruption		
205-3 Confirmed incidents of corruption and actions taken		There were no confirmed incidents of corruption in 2022.
GRI 207: Tax		
207-1 Approach to tax	139, 260	
GRI 302: Energy		
302-1 Energy consumption within the organisation	EDR (June 2023)	EPRA: Elec-Abs, Elec-LfL, DH&C-Abs, DH&C-LfL, Fuels-Abs, Fuels-LfL
302-2 Energy consumption outside of the organisation	EDR (June 2023)	
302-3 Energy intensity	EDR (June 2023)	
302-4 Reduction of energy consumption	EDR (June 2023)	
302-5 Reductions in energy requirements of products and services	EDR (June 2023)	
GRI 303: Water and effluents		
303-5 Water consumption	EDR (June 2023)	EPRA: Water-Abs, Water-LfL
GRI 305: Emissions		
305-1 Direct (scope 1) GHG emissions	EDR (June 2023)	EPRA: GHG-Dir-Abs, GHG-Dir-LfL
305-2 Energy indirect (scope 2) GHG emissions	EDR (June 2023)	EPRA: GHG-Indir-Abs, GHG-Indir-LfL
305-3 Other indirect (scope 3) GHG emissions	EDR (June 2023)	EPRA: GHG-Indir-Abs, GHG-Indir-LfL
305-4 GHG emissions intensity	EDR (June 2023)	EPRA: GHG-Int
305-5 Reduction of GHG emissions	EDR (June 2023)	
GRI 306: Waste		
306 Effluents and waste	EDR (June 2023)	

GRI 307: Environmental compliance		Page number	Comment
307-1 Non-compliance with environmental laws and regulations			There were no cases of non-compliance in 2022.
GRI 401: Employment			
401-1 New employee hires and employee turnover	70		EPRA: Emp-New hires, Emp-Turnover
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees			Not relevant.
GRI 402: Labor/management relations			
402-1 Minimum notice periods regarding operational changes			Aedifica applies the Belgian legislation on legal notice periods.
GRI 403: Occupational health & safety			
403-1 Occupational health and management system	53,72		
403-2 Hazard identification, risk assessment and incident investigation	72		EPRA: H&S-Emp
403-6 Promotion of worker health	72-73		
403-9 Work-related injuries	72		EPRA: H&S-Emp
403-10 Work-related ill health	72		
GRI 404: Training and education			
404-1 Average hours of training per year per employee	70		EPRA: Emp-Training
404-2 Programmes for upgrading employee skills and transition assistance programmes	71-72		
404-3 Percentage of employees receiving regular performance & career development reviews	70		EPRA: Emp-Dev
GRI 405: Diversity and equal opportunity			
405-1 Diversity of governance bodies and employees	70		EPRA: Diversity-Emp
405-2 Ratio of basic salary and remuneration of women to men	70		EPRA: Diversity-Pay
GRI 406: Non-discrimination			
406-1 Incidents of discrimination and corrective actions taken			There were no cases of discrimination.
GRI 408: Child labor			
408-1 Operations and suppliers at significant risk for incidents of child labor			There were no operations or suppliers at significant risk for incidents of child labor.
GRI 409: Forced or compulsory labor			
409-1 Operations and suppliers at significant risk for forced or compulsory labor			There were no operations or suppliers at significant risk for forced or compulsory labor.
GRI 413: Local communities			
413-1 Operations with local community engagement, impact assessments and development programmes	64		EPRA: Comty-Eng
GRI 418: Customer privacy			
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data			There were no such complaints in 2022.
GRI 419: Socioeconomic compliance			
419-1 Non-compliance with laws and regulations in the social and economic area			There were no cases of non-compliance in 2022.

6.3 Sector-specific standards

CRE: Construction and real estate		Page number	Comment
CRE 1	Building energy intensity	EDR (June 2023)	EPRA: Energy-Int
CRE 2	Building water intensity	EDR (June 2023)	EPRA: Water-Int
CRE 3	Greenhouse gas emissions intensity from buildings	EDR (June 2023)	EPRA: GHG-Int

7. Statements

ESEF

This 2022 Annual Financial Report was drawn up in accordance with the ESEF (European Single Electronic Format) reporting requirements. Thus, this version in ESEF in English is the official version of the annual report and can also be found on the Company's website (www.aedifica.eu).

Universal Registration Document

This 2022 Annual Financial Report constitutes Aedifica NV/SA's 2022 Universal Registration Document within the meaning of article 9 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC Prospectus Regulation, as amended (the 'Prospectus Regulation') and has been drawn up taking into account Annex 2 to Annex 1 of the Commission Delegated Regulation (EU) No 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Regulation (EC) No 809/2004, as amended (the 'Delegated Regulation 2019/980').

This 2022 Annual Financial Report has, in application of article 9.2 of the Prospectus Regulation been approved by the FSMA, as competent authority under the Prospectus Regulation, as Universal Registration Document on 4 April 2023. The FSMA only approved this Universal Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of its securities. Investors should make their own assessment as to the suitability of investing in securities in Aedifica NV/SA.

This Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if completed by amendments, if applicable, and a securities note and summary approved in accordance with the Prospectus Regulation.

The information on the website of Aedifica NV/SA is not incorporated by reference in, and does not form part of, this Universal Registration Document.

Investors should make their own assessment as to the suitability of investing in securities in Aedifica NV/SA.

Persons responsible (Delegated Regulation 2019/980 and Royal Decree 14 November 2007)

Aedifica NV/SA, represented by the members of its Board of Directors, the composition of which is described in the Corporate Governance chapter of this 2022 Annual Financial Report, is responsible for the information provided in this Universal Registration Document, and declares that, after having taken all reasonable care to ensure that such is the case, the information contained in this Universal Registration Document is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect the import of this Universal Registration Document.

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 Annual Financial 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

Independent valuation experts and statutory auditor

Aedifica NV/SA declares that the information provided by the independent valuation experts (the coordinates of each of which can be found in section 4.1.11 of the 'Standing Documents') and by the accredited statutory auditor (the coordinates of which can be found in section 4.1.10 of the 'Standing Documents') have been accurately reproduced and included with their consent. As far as Aedifica NV/SA is aware and is able to ascertain from information published by these third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The aforementioned independent valuation experts have each confirmed to the Company that they have no material interest in the Company, with the exception of those arising from their respective contractual relationship with the Company as an independent valuation expert of the Company within the meaning of Article 24 of the RREC Act.

The statutory auditor has confirmed to the Company that it has no material interest in the Company, with the exception of those arising from its mandate as statutory auditor of the Company.

Studies

The 'Market trends' section on page 47-49 of the Business Review included in this Universal Registration Document contains a reproduction of studies performed by (i) Jones Lang LaSalle IP, Inc. (regarding the healthcare market in Europe), (ii) Cushman & Wakefield Belgium SA (regarding the healthcare market in Belgium), (iii) CBRE GmbH (regarding the healthcare market in Germany) (iv) Cushman & Wakefield Netherlands BV (regarding the healthcare market in the Netherlands), (v) Cushman & Wakefield Debenham Tie Leung Limited (regarding the healthcare market in the United Kingdom), (vi) Jones Lang LaSalle Finland Oy (regarding the healthcare market in Finland), (vii) JLL Valuation AB (regarding the healthcare market in Sweden), (viii) CBRE Unlimited Company (regarding the healthcare market in Ireland) and (ix) Jones Lang LaSalle España SA (regarding the healthcare market in Spain).

Eméric Inghels, Danilo Tietz, Karina Melskens, Jan Vriend, Niek Drent, Tom Robinson, Kimmo Kostiainen, Patrik Lofvenberg, Maureen Bayley, Lourdes Pérez Carrasco en Felix Painchaud, have each agreed with the publication by Aedifica of their respective studies, and have each confirmed that they do not have material interests in Aedifica (except for those arising from their contractual relationship with Aedifica pursuant to their mandate as independent valuation expert).

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 governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Aedifica is aware), during the previous 12 months, 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/or the Group.

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 members of the Board of Directors has, for at least the previous five years, been convicted for a fraud-related offence;
- no official and/or public incrimination and/or sanctions have 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 members of the Board of Directors 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 members of the Board of Directors has been involved in any bankruptcies, receiverships, liquidations or companies put into administration for at least the previous five years, with the exception of:
 - 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 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;
- the following Directors and members of the Executive Committee hold shares of the Company: Mr Serge Wibaut (1,000 shares), Mr Stefaan Gielens (14,728 shares), Mr Charles-Antoine van Aelst (3,839 shares), Mr Sven Bogaerts (4,600 shares), Ms Ingrid Daerden (3,532 shares), Mr Pertti Huuskonen (660 shares), Ms Katrien Kesteloot (146 shares), Ms Elisabeth May-Roberti (266 shares), Mr Luc Plasman (418 shares), Mr Raoul Thomassen (1,046 shares), Ms Henrike Waldburg (55 shares) and Ms Marleen Willekens (150 shares).

8. Glossary

8.1 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.

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.

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 (NN)

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 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. 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 market 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 4.4.2 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) / investment value, acquisition value or fair value of the concerned buildings. Investment value is used as a denominator to determine the gross yield of a development project. Acquisition value is used for acquired assets and fair value for existing assets.

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:

- of a precise nature, i.e. indicates a set of circumstances which exists or which may reasonably be expected to come into existence, or an event which has occurred or which may reasonably be expected to occur, where it is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or event on the prices of the financial instruments or the related derivative financial instruments of Aedifica;
- which has not been made public;
- relating, directly or indirectly, to Aedifica; and
- which, if it were made public, would be likely to have a significant effect on the price of the financial instruments or related derivative financial instruments of Aedifica, i.e. information a reasonable investor would be likely to use as part of the basis of his or her investment decisions.

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 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) / (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 divided by the corrected profit.

Prime net yield

The ratio between the (initial) contractual rent of a purchased property and the acquisition value at a prime location.

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)
- 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

Reversion rate

The ratio is determined as follows: (contractual rents + estimated rental value on empty spaces) / Estimated rental value of the total portfolio.

Transfer taxes

The transfer of ownership of a property in Belgium 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, 12% 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.

Note that, following the interpretations of IFRS by the Belgian Asset Managers Association (BEAMA), the book value of 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 location of the property.

Triple net (NNN)

Type of contract under which operating charges, maintenance costs and rents on empty spaces related to 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.

8.2 Acronyms

APM: Alternative Performance Measure
CAGR: Compound Annual Growth Rate
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
CPI: Consumer price index
CRREM: Carbon Risk Real Estate Monitor
CSR: Corporate Social Responsibility
DCF: Discounted Cash Flow
EBIT: Earnings Before Interests and Taxes
ECB: European Central Bank
EPRA: European Public Real Estate Association
EPRA (s)BPR: EPRA (Sustainability) Best Practices Recommendations
ESMA: European Securities and Markets Authority
ERV: Estimated Rental Value
FBI: Federale Beleggingsinstelling
FSMA: Financial Services and Markets Authority
GHG: Greenhouse Gas
IAS: International Accounting Standards
ICR: Interest Cover Ratio
IFRS: International Financial Reporting Standards
IPO: Initial Public Offering
IRREC: Institutional Regulated Real Estate Company
IRS: Interest Rate Swap
nEUI: net Energy Use Intensity
NN: Double Net
NNN: Triple Net
NZEB: Nearly zero-energy building
REIT: Real Estate Investment Trust
RREC: Regulated Real Estate Company
SARL: Société à Responsabilité Limitée
SCS: Société en Commandite Simple
SPO: Secondary Public Offering
SPV: Special Purpose Vehicle
WAULT: Weighted average unexpired lease term

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Required components

In accordance with Articles 3:6 and 3:32 of the Belgian Code of Companies and Associations, the required components of the Aedifica 2022 Annual Financial Report appear in the following chapters:

- Financial review
➤ pages 76-95
- Corporate governance statement
➤ pages 96-127
- Risk factors
➤ pages 128-139
- Financial statements
➤ pages 140-205

This annual financial report provides an overview of the activities and financial statements for the financial year ending on 31 December 2022.



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1. The English version of the document represents the original document. The Dutch and French versions are translations and were prepared under Aedifica's responsibility.

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