

19 February 2020 – before opening of markets
Under embargo until 07:30 CET

AEDIFICA

Public limited liability company
Public regulated real estate company under Belgian law
Registered office: Rue Belliard 40 (box 11), 1040 Brussels
Enterprise number: 0877.248.501 (RLE Brussels)
(the 'Company')

Half year financial report 2019/2020

- **Rental income increased to €72 million as of 31 December 2019 (+42% compared to 31 December 2018)**
- **EPRA Earnings* of €46.6 million as of 31 December 2019, (+47% compared to 31 December 2018)**
- **Confirmed dividend forecast for the current financial year (€3.00 gross per share, an increase of 7%)**
- **Real estate portfolio* of €2.6 billion as of 31 December 2019, an increase of more than €315 million compared to 30 June 2019 (+14%)**
- **290 healthcare real estate sites for more than 21,000 residents in four countries:**
 - **€1,050 million in Belgium (79 sites)**
 - **€543 million in Germany (67 sites)**
 - **€402 million in the Netherlands (53 sites)**
 - **€571 million in the United Kingdom (91 sites)**
- **Pipeline of €480 million in acquisitions, construction and renovation projects (excl. Hoivatilat)**
- **Weighted average unexpired lease term of 21 years and occupancy rate of 100%**
- **43.8% debt-to-assets ratio as of 31 December 2019**
- **In January 2020, Aedifica entered the Finnish and Swedish markets through the acquisition of Hoivatilat Oy, a Finnish healthcare real estate developer and investor; on 30 January 2020, Aedifica controls approx. 98% of Hoivatilat's shares**

* Alternative Performance Measure (APM) in accordance with ESMA (European Securities and Market Authority) guidelines published on 5 October 2015. For many years, Aedifica has used Alternative Performance Measures according to the guidelines issued by the ESMA in its communication. 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 half year financial report are identified with an asterisk (*). The performance measures which are defined by IFRS standards or by Law are not considered as APM, nor 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 Note 15 of the Condensed Consolidated Financial Statements below.



I. Interim Management Report

1. Summary of the activities since 1 July 2019

Since 1 July 2019, Aedifica has further strengthened its position as a European market reference in listed healthcare real estate. The Group's international expansion continued unabated due to the numerous acquisitions and completions of recent months.

EUROPEAN EXPANSION

Less than a year after entering the UK market in February 2019, Aedifica again demonstrated its international ambitions in early November by launching a public tender offer on the shares of Hoivatilat, a Finnish healthcare real estate investor operating in Finland and Sweden. At the end of January 2020, upon completion of two successful offer periods, Aedifica has acquired more than 98% of the shares and initiated a squeeze-out procedure, which will complete Hoivatilat's integration into the Aedifica group in the coming months. Taking into account Aedifica's track record of international growth and Hoivatilat's successful build-and-hold strategy, this milestone transaction provides an excellent basis for the Group's future growth in Northern Europe and the further anchoring of Aedifica as a European market reference in listed healthcare real estate¹.

Aedifica's international ambitions were not only evident in Northern Europe. During the first half of 2019/2020, the Group announced or completed over €380 million of investments in Germany, the Netherlands and the United Kingdom. A total of 30 new healthcare real estate sites were added to the portfolio. In addition, six development projects in the investment pipeline amounting to approx. €34 million were completed.

All the investments made during the first half year led Aedifica's real estate portfolio to grow to 290 sites with a capacity of more than 21,000 residents. The fair value of marketable investment properties (including assets classified as held for sale*) increased by approx. €297 million (+13%) to €2,567 million (compared to €2,270 million at the beginning of the financial year). Taking into account the acquisition of Hoivatilat, Aedifica reached the €3 billion mark in early January 2020. In addition, as at 31 December 2019, the Group has a total investment budget in development projects of approx. €480 million (excl. Hoivatilat; see section 1.2 of the property report below). All of these projects are already pre-let. Taking into account the fair value of the investment properties, the development projects to be carried out over a period of three years and the acquisitions realised and announced since 1 January 2020, Aedifica's total portfolio is expected to reach the €3.65 billion mark.

RECOGNITION ON THE STOCK MARKET

The fact that Aedifica's growth strategy continues to enjoy market confidence was reflected in the evolution of the share price, which rose from €83.90 (30 June 2019) to €113.20 (31 December 2019) during the first half of the year, and even reached a record high of €136.40 in February 2020. Based on the share price on 31 December 2019, the Aedifica share has a premium of 84.3% compared to the net asset value per share excluding changes in fair value of hedging instruments*, or a premium of 89.8% compared to the net asset value per share.

¹ See section 3.2 below for more information on the Hoivatilat takeover bid.



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The recognition of the investors on the stock market was marked with an award. Aedifica received the BEL Mid Company of the Year 2019 award in January 2020, after the Group recorded the highest relative increase in market capitalisation for the year 2019 among the companies included in the BEL Mid Index.

EXCELLENT RESULTS

Aedifica focuses not only on investments and growth but also on managing its existing real estate assets. The result of this effort is reflected in excellent rental incomes (+42%). The EPRA Earnings* increased by 47%, reaching €46.6 million (31 December 2018: €31.7 million), i.e. €1.89 per share (31 December 2018: €1.74 per share), an increase of 9%. Aedifica's total profit amounts to €69 million (compared to €39 million as at 31 December 2018).

FUTURE GROWTH

During the past six months, Aedifica has proven that it can achieve its growth ambitions, and the Group intends to continue along this path during the remaining months of the financial year. Various new investment opportunities are being analysed. Even without taking into account new investments, the Group's future growth is assured by the extensive pipeline of investment projects. Through the combination of new investments and existing agreements on the acquisition, renovation, expansion, redevelopment and construction of numerous sites, Aedifica can build up a portfolio of high-quality buildings that offer attractive net returns and further strengthen its position as a European market reference in listed healthcare real estate.

2. Introduction

Aedifica is a Belgian listed company that specialises in investments in European healthcare real estate, in particular housing for seniors with care needs.

Aedifica has established itself in recent years as a leader in the European listed real estate sector and has the ambition to further expand this position in the coming years.

By investing in quality buildings that generate recurring and indexed rental income and offer potential for capital gains, Aedifica aims to offer its shareholders a reliable and sustainable real estate investment with an attractive yield.

Aedifica has been quoted on Euronext Brussels since 2006. Since November 2019, Aedifica is also listed on Euronext Amsterdam via a secondary listing.

This interim Board of Directors' Report is an update of the Board of Directors' Report issued on 30 June 2019 as part of the 2018/2019 Annual Financial Report (which contains a glossary listing the definitions of the main technical terms used). Only the significant changes that have taken place since publication of the 2018/2019 Annual Financial Report are presented here.



3. Important events

3.1. Investments and completions during the first half

During the first half of the 2019/2020 financial year, Aedifica carried out or announced the acquisition of 30 healthcare sites, representing a total capacity of more than 2,000 residents. The total volume of investments that were announced and carried out amounted to more than €380 million as of 31 December 2019.

Name	Type	Location	Date	Investment (€ million) ¹	Pipeline (€ million) ²	Gross rental yield (approx. %)	Completion	Lease	Operator
Germany				125	150				
Zur alten Linde Seniorenwohnpark Hartha	Acquisition ⁵	Rabenau Tharandt	8/07/2019	18	-	6%	-	30 years - NN	EMVIA Living
Haus Steinbachhof Seniorenhaus Wiederitzsch	Acquisition ⁵	Chemnitz Leipzig	9/07/2019	23	-	6%	-	19 years - NN 24 years - NN	Casa Reha ⁶ Convivo
Seniorenhaus Lessingstrasse	Acquisition	Wurzen	21/08/2019	-	7	5.5%	Q3 2021	25 years - NN	Seniorhenhaus Lessingstrasse
Wohnstif am Weinberg	Acquisition & renovation	Kassel	29/10/2019	-	20	5.5%	Over the next 3 years	30 years - NN	Cosiq
Haus Wellengrund	Acquisition & redevelopment	Stemwede	1/11/2019	3	8	6%	Q3 2020	30 years - NN	Argentum
BAVARIA Senioren- und Pflegeheim	Acquisition & renovation	Sulzbach- Rosenberg	6/11/2019	-	6	6%	Over the next 4 years	30 years - NN	Auriscare
Sonnenhaus Ramsloh Johanniter-Haus Lüdenscheid Quartier am Rathausmarkt	Acquisition & construction (Quartier am Rathausmarkt)	Ramsloh Lüdenscheid Bremervörde	17/12/2019	19	16	5%	Q3 2021 (Quartier am Rathausmarkt)	30 years - NN	Sonnenhaus Saterland Die Johanniter Specht Gruppe
Seniorenquartier Bremen Seniorenquartier Weyhe Seniorenquartier Langwedel Seniorenquartier Sehnde	Acquisition & development ³	Bremen Weyhe Langwedel Sehnde	17/12/2019	5	58	>5%	Q3 2021	30 years - NNN	EMVIA Living
Vitanas portfolio (7 sites)	Acquisition & renovation	Berlin Plön Wankendorf Ueckemünde	18/12/2019	57	35	>5%	2024	WAULT 23 years - NN	Vitanas
Netherlands				63	19				
Rumah Saya	Acquisition	Appeldoorn	9/07/2019	10	-	6%	-	15 years - NNN	Stichting Nusantara Zorg
Residentie La Tour Villa Casimir	Acquisition & redevelopment	Roermond	9/07/2019	4	8	6%	2020	20 years - NNN	Ontzorgd Wonen Groep
Vinea Domini	Acquisition & redevelopment	Witmarsum	7/08/2019	1	3	6%	2020	25 years - NNN	Ontzorgd Wonen Groep
Woonconcept portfolio (5 sites)	Acquisition	Hoogeveen	28/08/2019	44	-	6.5%	-	WAULT 26 years - NN	NNCZ
Natatorium	Extension	Velp	28/11/2019	2	3	6.5%	Q4 2021	20 years - NNN	Stepping Stones Home & Care ⁶
Villa Nuova	Construction	Vorden	29/11/2019	2	5	5.5%	Q1 2021	20 years - NNN	Stepping Stones Home & Care ⁶
United Kingdom ⁴				15	12				
Bessingby Hall, York House, The Sycamores, Southands, The Elms & Oakwood, Blenheim, Coplands, Eltandia Hall and Heritage	Extension of 9 sites	United Kingdom	18/09/2019	-	12	7%	2020	NNN	Burlington Care MMCG
Hazel End Care home	Acquisition	Bishop's Stortford	19/12/2019	15	-	6%	-	35 years - NNN	Halcyon Care Homes
Total				203	181				

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, 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. Development projects are always pre-let and are listed in the pipeline of projects and renovations (see section 1.2 of the property report on page 31).

³ Specht Gruppe phase III.

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

⁵ These acquisitions have already been announced during the 2018/2019 financial year.

⁶ Korian group.



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In the first half of the financial year, 6 development projects in the pipeline were delivered upon completion of the works. The total budget of all projects completed during the first half year amounts to approximately €34 million.

Name	Type	Location	Date	Investment (€ million) ¹	Gross rental yield (approx. %)	Lease	Operator
Belgium				3			
't Hoge III	Extension	Kortrijk	28/11/2019	2	6%	27 years - NNN	Senior Living Group ²
Plantijn III	Renovation	Kapellen	17/12/2019	1	6%	27 years - NNN	Armonea ³
Germany				27			
Seniorenquartier Schwerin	Development	Schwerin	15/08/2019	11	5.5%	30 years - NN	EMVIA Living
Seniorenzentrum Weimar	Acquisition	Weimar	1/10/2019	16	6%	25 years - NN	Azurit Rohr
United Kingdom				4			
Cowdray Club	Renovation	Aberdeen	23/08/2019	3	7%	25 years - NNN	Renaissance
MMCG projects	Renovation of 9 sites	United Kingdom	31/12/2019	1	7.5%	WALUT 23 years - NNN	Maria Mallaband Care Group
Total				34			

¹ For completed development projects, this amount includes only the budget for the works that were carried out (excluding the contractual value of the plot of land).

² Korian group.

³ Colisée group.

3.2. Investments and completions after 31 December 2019

- Acquisitions in Germany and the United Kingdom

After 31 December 2019, Aedifica has completed the acquisition of 7 healthcare sites and the construction of a new care campus in Germany. In addition, Aedifica has completed the acquisition of two sites in Germany, which was already announced in the first half of the financial year. The total amount of investments that have been carried out amount to more than €100 million.

Name	Type	Location	Date	Investment (€ million) ¹	Pipeline (€ million) ²	Gross rental yield (approx. %)	Completion	Lease	Operator
Germany				36	17				
BAVARIA Senioren- und Pflegeheim ⁴	Acquisition & renovation	Sulzbach- Rosenberg	1/01/2020	5	1	6%	Over the next 4 years	30 years - NN	Auriscare
Seniorenquartier Kaltenkirchen	Development	Kaltenkirchen	16/01/2020	15	-	5.5%	-	30 years - NN	EMVIA Living
Wohnstif am Weinberg ⁴	Acquisition & renovation	Kassel	17/01/2020	10	10	5.5%	Over the next 3 years	30 years - NN	Cosiq
Am Parnassturm ⁵ Am Marktplatz ⁵	Acquisition & renovation	Plön Wankendorf	12/02/2020	6.5	5.5	>5%	2024	WALUT 23 years - NN	Vitanas
United Kingdom ³				71	-				
The Grange Deepdene Princess Lodge The Hawthorns Minster Grange	Acquisition	Southall Dorking Swindon Southampton York	13/01/2020	71	-	6%	-	30 years - NNN	Bondcare Maria Mallaband Maria Mallaband Bondcare Maria Mallaband
Total				107	17				

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, 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. Development projects are always pre-let and are listed in the pipeline of projects and renovations (see section 1.2 of the property report on page 31).

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

⁴ These acquisitions are included as acquisitions subject to outstanding conditions in the pipeline of projects and renovations as of 31 December 2019 (see section 1.2 of the property report on page 31).

⁵ These sites are part of the Vitanas portfolio, of which the 5 other sites were already acquired on 18 December 2019.



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- Aedifica and Hoivatilat are joining forces in Northern Europe²

In November 2019, Aedifica (through its Finnish subsidiary Aureit Holding Oy) launched a voluntary public tender offer on all shares of Hoivatilat Oy, a Finnish healthcare real estate investor operating in Finland and Sweden. At the end of January 2020, Aedifica completed its tender offer on Hoivatilat, bringing the Group into the Northern European market and adding the fifth and sixth countries to its portfolio. Aedifica controls approx. 98.2% of all issued and outstanding shares and voting rights in Hoivatilat. Aedifica has initiated a squeeze-out procedure to acquire the remaining Hoivatilat shares and to de-list the Hoivatilat shares on Nasdaq Helsinki. It is expected that this will be finalised in the course of the coming months.

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

On 30 September 2019, Hoivatilat's completed portfolio included 148 care buildings (rest homes, specialised residential care centres and children day-care centres) in Finland, amounting to approx. €430 million. In addition, there is a pipeline of 40 development projects in Finland and Sweden amounting to approx. €147 million.

Aedifica has offered a price of €16.00 per Hoivatilat share, which implies an enterprise value of approx. €630 million on 30 September 2019. Aedifica financed this transaction through existing and new bank financing (see section 3.4 below).

Hoivatilat publishes its annual results on 21 February 2020.

3.3. Disposals

- Disposal of De Stenhof Hoogbouw in Leiden (NL)

On 13 December 2019, the De Stenhof Hoogbouw building located in Leiden (Netherlands) was sold for approx. €6.5 million.

3.4. Management of financial resources

During the second quarter of the 2019/2020 financial year, Aedifica established new long-term financing arrangements for a total amount of €90 million that will mature between 2024 and 2026.

In addition, a bridge facility was concluded at the end of October 2019 to finance the acquisition of Hoivatilat Oy (see section 3.2 above) and to refinance the bridge facility that was concluded for the acquisition of the healthcare real estate portfolio in the United Kingdom. This bridge facility has a maturity of 12 months and comprises two tranches of €300 million and £150 million, respectively. The tranche in British pound was used at the end of November 2019 to repay the old bridge facility of the same amount. Following the successful tender offer on the shares of Hoivatilat, the tranche in euro was used on 9 January 2020 to purchase the shares offered during the initial offer period ending on 3 January 2020.

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



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As a result, almost €570 million in financing arrangements were established during the first half of the 2019/2020 financial year.

The short-term treasury notes programme, which was increased from €150 million to €225 million at the end of June 2019, is fully subscribed. The short-term treasury notes are fully hedged by the available funds on confirmed long-term credit lines.

Taking these elements into account, the maturity dates of the financial debts with Aedifica's seventeen credit providers as of 31 December 2019 are as follows:

Financial debt (in € million) ¹	Lines	Utilisation	of which treasury notes
2019/2020	206	206	206
2020/2021	554	254	20
2021/2022	171	76	
2022/2023	205	75	
2023/2024	225	155	
2024/2025	400	224	
>2025/2026	290	175	15
Total as of 31 December 2019	2,050	1,165	240
Weighted average maturity (in years) ²	4.5	4.6	

¹ Amounts in £ were converted into € based on the exchange rate of 31 December 2019 (1.1754 £/€).

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

Without regard to short-term financing (short-term treasury notes and bridge facility), the weighted average maturity of the financial debts as of 31 December 2019 is 4.6 years.

3.5. Other events

- Aedifica strengthens its teams in the Netherlands and Germany with a country manager

In order to sustain its growth in the Dutch and German markets, Aedifica strengthened its teams in both countries with country managers. In this role, Eric Scheijgrond supervises the management of the portfolio and the Group's growth in the Dutch market since 1 September 2019. Eric has more than 15 years of experience in healthcare real estate. Since 2014, he worked as Associate Director Healthcare at Cushman & Wakefield Netherlands (Amsterdam), where he was responsible for healthcare real estate investments while being in touch with various players within the Dutch healthcare real estate sector. Previously, he worked for more than 7 years as real estate manager for the Parnassia Group, a Dutch healthcare foundation

The German team will be strengthened by Heinz Beekmann as country manager. In this role, Heinz will supervise the management of the German portfolio and the Group's growth in the German market, and lead the German team in place as from 15 April 2020. Heinz has several years of experience in the healthcare sector: he worked within the Armonia Group as CEO of the German branch and, in May 2019, he also took on the position of CEO Armonia Belgium. He was also member of the non-executive board of Lebenshilfe Syke, a non-profit organisation for persons with disabilities that operates residential homes, family support services and schools.



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- Aedifica included in the Stoxx Europe 600 Index

Since 23 September 2019, Aedifica is included in the Stoxx Europe 600 Index. Aedifica's inclusion in this index anchors the Group once again as a market reference in listed European healthcare real estate.

- Aedifica receives awards for its financial communication

In September 2019, Aedifica received a 5th consecutive 'EPRA BPR Gold Award' for its Annual Financial Report (financial year 2017/2018), keeping the Company at the top of the 175 real estate companies assessed by EPRA, the European association of listed real estate companies. In addition, Aedifica's first-ever sustainability report relating to its corporate social responsibility efforts (published in May 2019) received the 'EPRA sBPR Silver Award' and the 'EPRA sBPR Most Improved Award'. Finally, in October 2019, Aedifica received a special award for 'Best Communication on Specific Risk Factors' from the Belgian Association of Financial Analysts (BVFA/ABAF).

- Aedifica starts trading on Euronext Amsterdam

On 7 November 2019, the Aedifica share started trading on Euronext Amsterdam via a secondary listing. Through this secondary listing, Aedifica aims to further increase its visibility in the Netherlands as pure play investor in European healthcare real estate. The listing will also provide Dutch investors with direct access to the Company's capital, giving Aedifica the opportunity to further expand and diversify its shareholder base. Aedifica has not issued any new shares as part of the secondary listing and will retain its primary listing on Euronext Brussels. Aedifica's shares are collected and administered in the central order book of the Euronext group.

- Aedifica's CEO nominated for 'Trends Manager of the Year 2019'

For the third consecutive year, Stefaan Gielens (Aedifica's CEO) was one of the ten nominees to become 'Trends Manager of the Year 2019'. The nomination is an acknowledgement of Aedifica's international growth over the past year and its long-term strategy as a healthcare real estate investor.

- Aedifica wins the BEL Mid Company of the Year 2019 award

On 23 January 2020, Aedifica won the BEL Mid Company of the Year 2019 award after the Group recorded the highest relative increase in market capitalisation for the year 2019 among the companies included in the BEL Mid Index.

- Korian takes over the operation of 12 Dutch Aedifica sites

In early February 2020, the Korian group announced that it would take over the operation of 12 Aedifica sites in the Netherlands from Het Gouden Hart and Ontzorgd Wonen Groep. It concerns 3 existing Aedifica sites and 1 project that are operated by Het Gouden Hart³, and 5 existing Aedifica sites and 3 projects that are operated by Ontzorgd Wonen Groep⁴. Taking into account this acquisition, Korian's share in the Aedifica portfolio would amount to 17% as of 31 December 2019.

³ Existing sites: HGH Driebergen, HGH Kampen and HGH Leersum; project: HGH Harderwijk.

⁴ Existing sites: De Statenhof, Kening State, Residentie Boldershof, Zorghuis Smakt and Zorgresidentie Mariëndaal; projects: Sorghuys Tilburg, Villa Casimir and Vinea Domini.

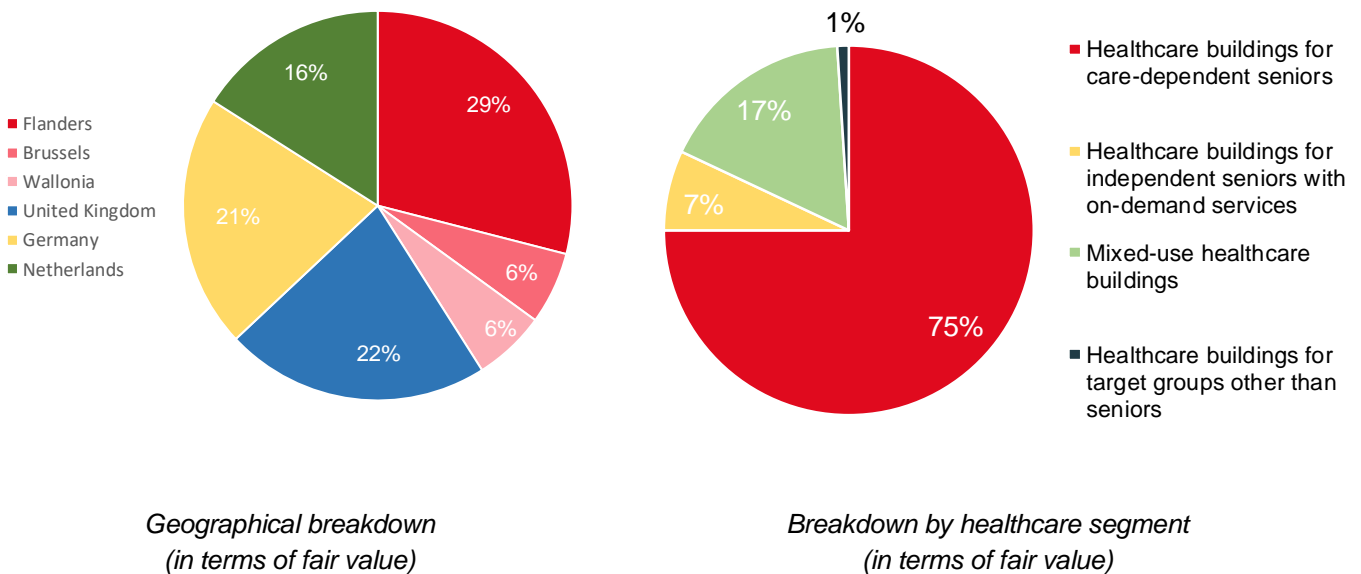


4. Portfolio as of 31 December 2019

During the first half of the current financial year, Aedifica increased its portfolio of **marketable investment properties (including assets classified as held for sale*)** by approx. €297 million, from a fair value of €2,270 million to €2,567 million (€2,636 million for the investment properties including assets classified as held for sale* and development projects). This 13% growth comes mainly from net acquisitions (see section 3.1 above), completion of development projects (see section 3.1 above) and changes in the fair value of marketable investment properties recognised in income (+27.1 million, or +1.1% over the first half). The fair value of marketable investment properties, as assessed by independent valuation experts, is broken down as follows:

- Belgium: +€17.9 million (+1.7%);
- Germany: +€8.7 million (+1.6%);
- Netherlands: +€1.9 million (+0.5%);
- United Kingdom: -€1.4 million (-0.3%).

As of 31 December 2019, Aedifica's portfolio has 290 marketable investment properties (including assets classified as held for sale*), with a capacity of more than 21,000 residents and a total surface area of approx. 1,379,000 m².



The **overall occupancy rate**⁵ of the total portfolio reached 100% as of 31 December 2019.

The **weighted average unexpired lease term (WAULT)** for all buildings in the Company's portfolio is 21 years.

⁵ Rate calculated according to the EPRA methodology.



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5. Gross yield by segment

The table below presents the **portfolio's gross yield by country**, compared to the fair value of the marketable investment properties. As the portfolio's gross yield was communicated by segment of activity until last year, a table is included below in which the gross yield is presented in accordance with the previous method, so that the gross yields can be compared in a historical way.

In general, the gross yield amounts to 5.9%, this is unchanged as compared to 30 June 2019.

(x1,000€)	Belgium	Germany	Netherlands	United Kingdom	Marketable investment properties incl. assets classified as held for sale*	Development projects	Investment properties incl. assets classified as held for sale*
Fair value	1.050.373	543.520	401.885	571.140	2.566.918	68.818	2.635.736
Annual contractual rents	57.200	31.404	22.930	39.497	151.032	-	-
Gross yield (%) °°	5,4%	5,8%	5,7%	6,9%	5,9%	-	-

31 December 2019

(x €1,000)	Healthcare real estate	Apartment buildings	Hotels	Marketable investment properties incl. assets classified as held for sale*	Development projects	Investment properties incl. assets classified as held for sale*
Fair value	2.566.918	-	-	2.566.918	68.818	2.635.736
Annual contractual rents	151.032	-	-	151.032	-	-
Gross yield (%) °°	5,9%	-	-	5,9%	-	-

30 June 2019

(x €1,000)	Healthcare real estate	Apartment buildings	Hotels	Marketable investment properties incl. assets classified as held for sale*	Development projects	Investment properties incl. assets classified as held for sale*
Fair value	2.269.744	0	0	2.269.744	51.205	2.320.949
Annual contractual rents	133.739	0 °	0	133.739	-	-
Gross yield (%) °°	5,9%	0,0%	0,0%	5,9%	-	-

31 December 2018

(x €1,000)	Healthcare real estate	Apartment buildings	Hotels	Marketable investment properties incl. assets classified as held for sale*	Development projects	Investment properties incl. assets classified as held for sale*
Fair value	1.624.647	215.438	66.710	1.906.795	57.334	1.964.129
Annual contractual rents	91.640	10.535 °	4.214	106.389	-	-
Gross yield (%) °°	5,6%	4,8%	6,3%	5,6%	-	-

° The amounts related to the furnished apartments correspond to the annualised rental income excl. VAT.

°° 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 and (often) the Netherlands. In Germany (and the Netherlands, in some cases), the net yield is generally lower than the gross yield, with certain charges remaining at the responsibility of the owner, such as the repair and maintenance of the roof, structure and facades of the building ('double net' contracts).



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6. Analysis of the half year consolidated accounts

The Condensed Consolidated Financial Statements, prepared in accordance with IAS 34, are presented on page 44 of this half year financial report. The following sections of the interim Board of Directors' Report analyse the financial statements using an analytical framework that is aligned with the Company's internal reporting structure.

6.1. Consolidated results⁶

Consolidated income statement - analytical format (x €1,000)	31 December 2019	31 December 2018
Rental income	71,970	50,798
Rental-related charges	-591	8
Net rental income	71,378	50,806
Operating charges*	-11,311	-8,671
Operating result before result on portfolio	60,068	42,135
<i>EBIT margin* (%)</i>	84%	83%
Financial result excl. changes in fair value*	-10,432	-8,634
Corporate tax	-3,827	-1,379
Share in the profit or loss of associates and joint ventures accounted for using the equity method in respect of EPRA Earnings*	770	0
Non-controlling interests in respect of EPRA Earnings*	-29	-383
EPRA Earnings* (owners of the parent)	46,550	31,739
Denominator (IAS 33)	24,601,110	18,255,720
EPRA Earnings* (owners of the parent) per share (€/share)	1.89	1.74
EPRA Earnings*	46,550	31,739
Changes in fair value of financial assets and liabilities	3,418	-187
Changes in fair value of investment properties	19,980	13,095
Gains and losses on disposals of investment properties	1,268	-70
Negative goodwill / goodwill impairment	0	-132
Deferred taxes in respect of EPRA adjustments	-3,770	-1,845
Share in the profit or loss of associates and joint ventures accounted for using the equity method in respect of EPRA adjustments	1,827	0
Non-controlling interests in respect of EPRA adjustments	-99	-3,833
Roundings	0	1
Profit (owners of the parent)	69,174	38,768
Denominator (IAS 33)	24,601,110	18,255,720
Earnings per share (owners of the parent - IAS 33 - €/share)	2.81	2.12

The consolidated turnover (**consolidated rental income**) for the first half of the current financial year amounts to €72.0 million, an increase of 42% as compared to the same period of the previous financial year.

⁶ The consolidated income statement covers the 6-month period from 1 July 2019 to 31 December 2019. Acquisitions are accounted for on the date of the effective transfer of control. Therefore, these operations present different impacts on the income statement, depending on whether they took place at the beginning, during, or at the end of the period.



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The consolidated rental income by country is presented in the following table:

Consolidated rental income (x €1,000)	31 December 2019	31 December 2018	Var. (%) on a like-for-like basis*	Var. (%)
Belgium	28,454	33,792	+1.7%	-15.8%
Germany	13,549	10,000	+0.9%	+35.5%
Netherlands	10,910	7,006	+2.0%	+55.7%
United Kingdom	19,057	0	-	+100%
Total	71,970	50,798	+1.6%	+41.7%

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

The decrease of rental income in Belgium is explained by the divestment of the non-strategic parts of the portfolio (apartment buildings and hotels), which was completed at the end of the previous financial year. As all these non-strategic buildings are located in Belgium, their divestment only has an impact on Belgian rental income. On a like-for-like basis*, however, Belgian rental income has increased (+1.7%).

After deducting **rental-related charges** (€0.5 million), in particular a write-down on bad debtors, the **net rental income** amounts to €71.4 million (+40% as compared to 31 December 2018).

The **property result** is €71.4 million (31 December 2018: €50.3 million). This result, less other direct costs, leads to a **property operating result** of €69.1 million (31 December 2018: €48.2 million). This implies an operating margin* of 97% (31 December 2018: 95%).

After deducting overheads of €9.0 million (31 December 2018: €6.1 million) and taking into account other operating income and charges, the **operating result before result on the portfolio** has increased by 43% to reach €60.1 million (31 December 2018: €42.1 million). This result represents an **EBIT margin*** of 84% (31 December 2018: 83%).

The share of each segment in the operating result before result on the portfolio (segment result according to IFRS 8) is detailed in Note 3 of the Condensed Consolidated Financial Statements.

Taking into account the cash flows generated by hedging instruments, Aedifica's **net interest charges** amount to €8.6 million (31 December 2018: €7.5 million). The **average effective interest rate before capitalised interests* including commitment fees** is 2.0%, lower than during the first half of the financial year 2018/2019 (2.2%). 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 excluding changes in fair value*** represents a net charge of €10.4 million (31 December 2018: €8.6 million).



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Corporate taxes are composed of current taxes, deferred taxes and exit tax. In conformity with the special tax system of RRECs, the taxes due (31 December 2019: €3.8 million; 31 December 2018: €1.4 million) consist primarily of Belgian tax on Aedifica's non-deductible expenditures, tax generated abroad by Aedifica and tax on the result of consolidated subsidiaries. In the Dutch subsidiary (Aedifica Nederland BV), for the sake of caution it was decided to opt for a common law tax burden in the result, notwithstanding the fact that the subsidiary still has a claim to the application of the fiscally transparent regime of a 'Fiscale Beleggingsinstelling' ('Tax Investment Institution'). Deferred taxes are described below.

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

The **share in the result of the associates and joint ventures** and the **minority interests** are divided, as described below, into a portion of EPRA Earnings* (€0.8 million and €0.0 million, respectively) on the one hand, and non-cash flow elements (€1.8 million and €0.1 million, respectively) on the other.

EPRA Earnings* (see Note 15.7.1.) reached €46.6 million for this half year (31 December 2018: €31.7 million), or €1.89 per share, based on the weighted average number of shares outstanding (31 December 2018: €1.74 per share).

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

- Over the first six months of the financial year, **changes in the fair value of marketable investment properties**⁷ taken into income amounted to +1.1%, or +€27.1 million (31 December 2018: +1.2% or +€23.2 million). A change in fair value of -€7.1 million was recorded on development projects (31 December 2018: -€10.1 million). The combined change in fair value for marketable investment properties and development projects represents an increase of €20.0 million for the half year (31 December 2018: €13.1 million).
- In order to limit the interest rate risk stemming from the financing of its investments, Aedifica has put in place long-term hedges⁸ which allow for the conversion of variable-rate debt to fixed-rate debt, or to capped-rate debt. On 31 December 2019, 92% of the drawings in euros on these variable-rate credit facilities were covered by hedging instruments (swaps and caps). In addition, forward contracts were signed during the financial year to hedge the exchange rate risk of the portfolio in the United Kingdom. These financial instruments are detailed in Note 7 of the attached Condensed Consolidated Financial Statements. Moreover, the financial instruments also reflect put options granted to certain minority shareholders which are the subject of appraisal at fair value. **Changes in the fair value of financial assets and liabilities** taken into the income statement as of 31 December 2019 represent an income of €3.4 million (31 December 2018: income of €0.2 million).

⁷ That change corresponds to the sum of the positive and negative variations of the fair value of the buildings as of 30 June 2019 or the time of entry of new buildings in the portfolio, and the fair value estimated by the valuation experts as of 31 December 2019.

⁸ Long term hedges permit a reduction in the interest rate risk on investment financing that generates revenues over the long term, such as long leases. The weighted average unexpired lease term of the leases is 21 years.



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- **Deferred taxes** (charge of €3.7 million as of 31 December 2019 as compared to the charge of €1.3 million on 31 December 2018) arose from the recognition at fair value of buildings located abroad, in conformity with IAS 40. These deferred taxes (with no monetary impact, that is to say, non-cash) are excluded from the EPRA Earnings*.
- **Exit tax**⁹ (charge of €0.1 million as of 31 December 2018, compared to a charge of €0.5 million as of 31 December 2018) 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 €69.2 million (31 December 2018: €38.8 million). The basic earnings per share (as defined by IAS 33) is €2.81 (31 December 2018: €2.12).

⁹ In 2017, exit tax was presented under changes in fair value of investment properties. This change of presentation had no impact on either net profit or EPRA Earnings*.



6.2. Consolidated balance sheet

Consolidated balance sheet (x €1,000)	31 December 2019	30 June 2019
Investment properties including assets classified as held for sale*	2,635,736	2,320,949
Other assets included in debt-to-assets ratio	92,063	65,061
Other assets	1,057	117
Total assets	2,728,856	2,386,127
Equity		
Equity excl. changes in fair value of hedging instruments*	1,511,298	1,480,082
Effect of the changes in fair value of hedging instruments	-44,156	-50,533
Non-controlling interests	4,450	103
Equity	1,471,592	1,429,652
Liabilities included in debt-to-assets ratio	1,194,808	888,158
Other liabilities	62,456	68,317
Total equity and liabilities	2,728,856	2,386,127
<i>Debt-to-assets ratio (%)</i>	43.8%	37.2%

As of 31 December 2019, **investment properties including assets classified as held for sale*** represent 97% (30 June 2019: 97%) of the assets recognised on Aedifica's balance sheet, valued in accordance with IAS 40¹⁰ at €2,636 million (30 June 2019: €2,321 million). This heading includes:

- **Marketable investment properties including assets classified as held for sale*** (31 December 2019: €2,567 million; 30 June 2019: €2,270 million), increase in the amount of €297 million. The net growth in the fair value of marketable investment properties* is attributed primarily to €231 million from investment operations (see section 3.1 above), to -€5 million from divestment operations (see section 3.3 above), to €16 million from the completion of development projects (see section 3.1 above), to €28 million from exchange rate differences and to €27 million from the change in the fair value of marketable investment properties.
- **Development projects** (31 December 2019: €68 million; 30 June 2019: €51 million), consist primarily of investment properties under construction or renovation. They are part of a multi-annual investment budget (see section 1.2 of the property report).

The item 'Other assets included in debt-to-assets ratio' includes the shares of Hoivatilat Oy held by Aureit Holding amounting to €19 million and **holdings in associated companies and joint ventures**. This includes the remaining stake of 25% in Immo NV, which amounts to €35.9 million as of 31 December 2019 (30 June 2019: €33.9 million).

The **other assets included in the debt-to-assets ratio** represent 3% of the total balance sheet (30 June 2019: 3%).

¹⁰ The investment properties are represented at their fair value as determined by the valuation experts (Cushman & Wakefield Belgium NV/SA, Deloitte Consulting & Advisory CVBA/SCRL, CBRE GmbH, Jones Lang LaSalle SE, DTZ Zadelhoff VOF, Savills Consultancy BV and Cushman & Wakefield Debenham Tie Leung Ltd).



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Since Aedifica's incorporation, its capital has increased as a result of various real estate activities (contributions, mergers, etc.) and the capital increases in cash in October 2010, December 2012, June 2015, March 2017 and May 2019. As of 31 December 2019¹¹, the Company's capital amounts to €649 million (30 June 2019: €649 million). **Equity** (also called net assets), which represents Aedifica's intrinsic net value and takes into account the fair value of its investment portfolio, amounts to:

- €1,516 million excluding the effect of the changes in fair value of hedging instruments* (30 June 2019: €1,480 million, including the €54 million dividend distributed in October 2019);
- or €1,472 million taking into account the effect of the changes in fair value of hedging instruments (30 June 2019: €1,430 million, including the €54 million dividend distributed in October 2019).

As of 31 December 2019, **liabilities included in the debt-to-assets ratio** (as defined in the Royal Decree of 13 July 2014 on RRECs) reached €1,195 million (30 June 2019: €888 million). Of this amount, €1,164 million (30 June 2019: €859 million) is effectively drawn on the Company's credit lines. Aedifica's consolidated **debt-to-assets ratio** amounts to 43.8% (30 June 2019: 37.2%). As the maximum debt-to-assets ratio permitted for Belgian RRECs is set at 65% of total assets amounts, Aedifica currently still has a consolidated debt capacity of €578 million in constant assets (i.e., excluding growth in the real estate portfolio) and €1,652 million in variable assets (i.e., taking into account growth in the real estate portfolio). Conversely, if all other parameters remain the same, the current balance sheet structure can absorb a 34% reduction in the fair value of the properties before reaching the maximum debt-to-assets ratio. Given Aedifica's existing bank commitments, which further limit the maximum debt-to-assets ratio to 60%, the available headroom amounts to €442 million in constant assets, €1,105 million in variable assets, and -28% in the fair value of investment properties.

Other liabilities of €62 million (30 June 2019: €47 million) represent primarily the fair value of hedging instruments (31 December 2019: €43 million; 30 June 2019: €48 million).

¹¹ IFRS requires that the costs incurred to raise capital are recognised as a decrease in the capital reserves.



6.3. Net asset value per share

The table below details the change in the **net asset value per share**.

Excluding the non-monetary effects (that is to say, non-cash) of the changes in fair value of hedging instruments¹² and after accounting for the distribution of the 2018/2019 dividend in October 2019¹³, the net asset value per share based on the fair value of investment properties is €61.43 as of 31 December 2019 (30 June 2019: €57.96 per share).

Net asset value per share (in €)	31 December 2019	30 June 2019
Net asset value after deduction of dividend 2018/2019, excl. changes in fair value of hedging instruments*	61.43	57.96
Effect of the changes in fair value of hedging instruments	-1.79	-2.05
Net asset value after deduction of dividend 2018/2019	59.64	55.90
Number of share outstanding (excl. treasury shares)	24,601,158	24,601,158

Number of shares	31 December 2019	30 June 2019
Number of shares outstanding [°]	24,601,158	24,601,158
Total number of shares	24,601,158	24,601,158
Total number of shares on the stock market	24,601,158	24,601,158
Weighted average number of shares outstanding (IAS 33)	24,601,110	19,274,471
Number of dividend rights ^{°°}	24,601,158	19,365,386

[°] After deduction of the treasury shares.

^{°°} Based on the rights to the dividend for the shares issued during the year.

¹² The effect of the changes in fair value of hedging instruments of -€1.79 per share as of 31 December 2019 is the impact in equity of the fair value of hedging instruments, which is negative for €44 million, mainly booked in the liabilities on the balance sheet.

¹³ Recall that IFRS requires the presentation of the annual accounts before appropriation. The net asset value of €60.16 per share as of 30 June 2019 (as published in the 2018/2019 Annual Financial Report) thus included the dividend distributed in October 2019, and should now be adjusted by €2.20 per share in order to compare with the value as of 31 December 2019. This amount corresponds to the amount of the total dividend (approx. €54 million) divided by the total number of shares outstanding as of 30 June 2019 (24,601,158).



7. Outlook

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

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

- Aedifica's strategic focus on healthcare real estate and its development in Europe allow the Group to adapt to market opportunities and the evolution of economic conditions in the context of an ageing population. The geographical spread of the portfolio over six countries (Belgium, Germany, the Netherlands, the United Kingdom, Finland and Sweden) leads to a better risk diversification.
- Thanks to its investments in healthcare real estate, Aedifica benefits from indexed long-term rental incomes, which generate high net yields. The weighted average unexpired lease term on the total of its leases of 21 years provides Aedifica with a very good view of the majority of its future income streams over the long term.
- The confirmed credit lines ensure the financing of the real estate portfolio (including ongoing project developments) and the further growth of the portfolio. Drawings on these credit facilities are largely covered by hedging instruments. In addition, Aedifica has in the past repeatedly demonstrated that it has excellent access to the capital markets in order to support its growth.
- The combined pipeline of Aedifica and Hoivatilat amount to more than €600 million, assuring the Group's future growth.

Taking into account the results as of 31 December 2019 and the investments that have already been carried out, in particular the integration of Hoivatilat as from 10 January 2020, Aedifica's Board of Directors has decided to adjust the outlook for the current financial year. Based on the anticipated real estate portfolio and without unforeseen developments, rental income for the financial year 2019/2020 is estimated at €163 million. This leads to an EPRA Earnings* of €97 million or €3.95 per share, and allows the payment of a gross dividend of €3.00 per share (an increase of 7% compared to the 2018/2019 dividend), notwithstanding the higher number of shares as a result of the capital increase of May 2019.



8. Principal risks and uncertainties

The Board of Directors considers that the key risk factors and uncertainties summarised in pages 2 to 13 of the 2018/2019 Annual Financial Report are relevant for the remaining months of the 2019/2020 financial year.

9. Related party transactions

Related party transactions (as defined under IAS 24 and by the Belgian Companies Code) are discussed in Note 13 of the attached Condensed Consolidated Financial Statements. These transactions relate exclusively to the remuneration of the members of the Board of Directors and the Management Committee.

Moreover, certain types of transactions are covered by Article 37 of the Act of 12 May 2014 on RREC (with the exception of cases explicitly covered by Article 38 of the same Act). Over the course of the first half of the 2019/2020 financial year, no transactions covered by this Article and outside of normal business transactions were executed between Aedifica and its regular service providers.

10. Corporate governance

10.1. Renewal of term of office

The Annual General Meeting of 22 October 2019 renewed with immediate effect and for a period of three years (until the end of the Annual General Meeting of 2022) the office of Mr. Jean Franken as non-executive independent Director. Aedifica's Board of Directors welcomes this appointment.

Brussels, 18 February 2020.
The Board of Directors.



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II. EPRA¹⁴

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. Aedifica's shares were added to the 'FTSE EPRA/NAREIT Developed Europe Index' on 18 March 2013.

As of 31 December 2019, Aedifica is included in the European EPRA Index with a weighting of approx. 1.0% and in the Belgian EPRA Index with a weighting of approx. 19.6%.

Aedifica supports this approach to reporting standardisation, which has been designed to improve the quality and comparability of information. The Company supplies its investors with most of the information recommended by EPRA. Some of the EPRA indicators are considered to be alternative performance measures (APM). They are described in Note 15 of this half year financial report's Condensed Consolidated Financial Statements.

Key performance indicators according to the EPRA principles

	31 December 2019	31 December 2018
EPRA Earnings* (in €/share)	1.89	1.74
EPRA Cost Ratio (including direct vacancy costs)* (in %)	17%	17%
EPRA Cost Ratio (excluding direct vacancy costs)* (in %)	17%	17%

	31 December 2019	30 June 2019
EPRA NAV* (in €/share)	62.07	58.44
EPRA NNNAV* (in €/share)	59.26	55.61
EPRA Net Initial Yield (NIY) (in %)	5.3%	5.5%
EPRA Topped-up NIY (in %)	5.6%	5.5%
EPRA Vacancy Rate (in %)	0%	0%

The above-mentioned EPRA NAV* and EPRA NNNAV* values as of 30 June 2019 were adjusted downward by €2.20 per share in comparison to the figures published in the 2018/2019 Annual Financial Report, so that they can be compared with the values as of 31 December 2019 (see footnote 13 in section I.6.3 above). This adjustment corresponds to the 2018/2019 gross dividend, which was distributed in October 2019 (see Note 15.6).

The calculation of the EPRA NIY and the EPRA Topped-up NIY was revised for the account closed on 31 December 2019. The ratios now take into account the investment value of the marketable investment properties and no longer the fair value. In comparison, the EPRA NIY and EPRA Topped-up NIY ratios based on the fair value of the marketable investment properties as of 31 December 2019 would be 5.6% and 5.9%.

In 2015, 2016, 2017, 2018 and 2019, Aedifica was presented with the 'EPRA BPR Gold Award' for its annual financial report five times in a row. Aedifica also won the 'EPRA sBPR Silver Award' and the 'EPRA sBPR Most Improved' for the 2018 Sustainability Report. In this way, Aedifica remains among the leading European companies being evaluated by EPRA.

¹⁴ The data in this chapter are not compulsory according to the RREC regulation and are not subject to verification by public authorities. The data as of 31 December 2019 in this chapter have not been reviewed by the statutory auditor.



III. Aedifica in the stock market

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. Following its IPO, Aedifica has completed five capital increases, in cash and with preferential subscription rights or priority allocation rights:

- 15 October 2010: issuance of 2,013,334 new shares at €33.45, for a gross amount of €67 million;
- 7 December 2012: issuance of 2,697,777 new shares at € 37.00, for a gross amount of €100 million;
- 29 June 2015: issuance of 3,121,318 new shares at € 49.00, for a gross amount of €153 million;
- 28 March 2017: issuance of 3,595,164 new shares at € 61.00, for a gross amount of €219 million;
- 7 May 2019: issuance of 6,147,142 new shares at € 68.00, for a gross amount of €418 million.

Aedifica is registered in the Bel Mid Index with a weighting of approximately 9.6% (31 December 2019). In addition, the Aedifica share is also included in the EPRA, MSCI and Stoxx Europe 600 indexes.

The Aedifica share price fluctuated between €85.50 and €116.80 over the first half of the year and closed the first half of the financial year at €113.20, an increase of approx. 35% compared to 30 June 2019 (€83.90).

Based on the stock price as at 31 December 2019, Aedifica shares have a premium of:

- 84.3% as compared to the net asset value per share excluding changes in the fair value of hedging instruments*;
- 89.8% as compared to the net asset value per share.

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

Between Aedifica's IPO (after deduction of the coupons which represented the preferential subscription rights or the priority allocation rights as part of the above-mentioned capital increases) and 31 December 2019, Aedifica's stock price increased by 211.2%, as compared to an increase of 65.3% for the Bel Mid index and a decrease of 6.9% for the EPRA Europe index over the same period.

During the first half year, the liquidity of the Aedifica share also increased. The average daily volume was approx. €4,024,000 or approximately 38,400 shares, which means that the turnover rate increased to 41.7%. Aedifica continues its efforts to broaden its investor base further by regularly participating in road shows and events for institutional and private investors alike.



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Aedifica share	31 December 2019	30 June 2019
Share price at closing (in €)	113.20	83.90
EPRA NAV* excl. changes in fair value of hedging instruments* (in €)	61.43	57.96
Premium (+) / Discount (-) excl. changes in fair value of hedging instruments*	84.3%	44.8%
EPRA NAV* (in €)	59.64	55.90
Premium (+) / Discount (-)	89.8%	50.1%
Market capitalisation	2,784,851,086	2,064,037,156
Free float ¹	100.00%	100.00%
Total number of shares listed	24,601,158	24,601,158
Denominator for the calculation of the EPRA NAV* per share	24,601,158	24,601,158
Average daily volume	38,387	24,982
Velocity ²	41.7%	32.5%
Gross dividend per share (in €) ³	3.00	2.80
Dividend gross yield ⁴	2.7%	3.3%

¹ Percentage of the capital of a company held by the market, according to the definition of Euronext. See press release of 12 July 2019 and section 3 below.

² Annualised total volume of exchanged shares divided by the total number of shares listed on the market, according to the definition of Euronext.

³ 2019/2020: according to section 7 of the Interim Management Report above.

⁴ Gross dividend per share divided by the closing share price.

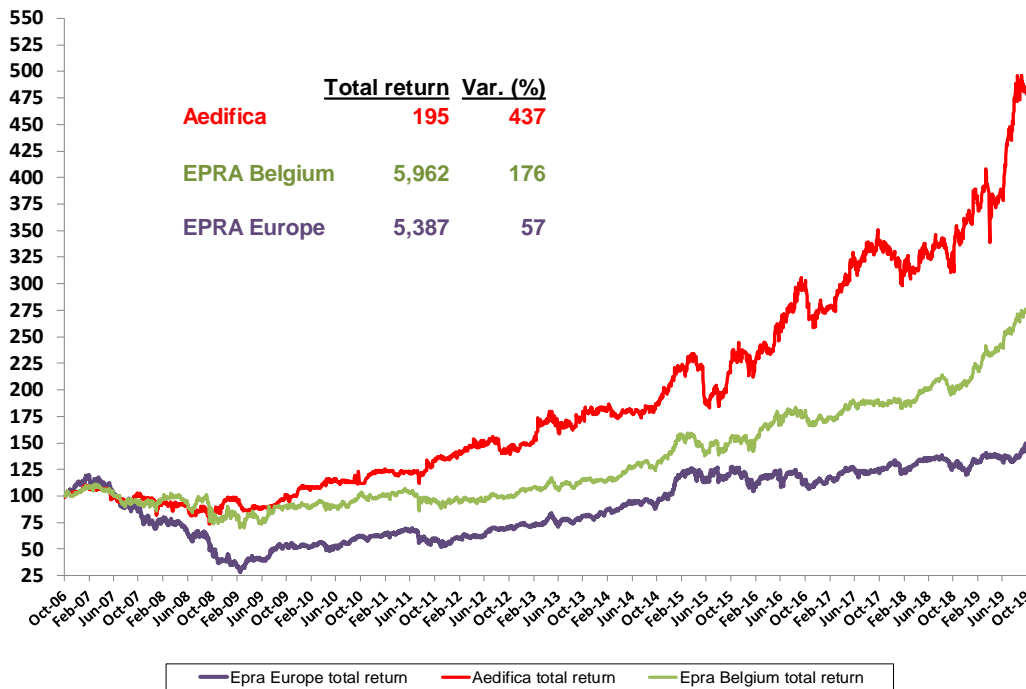


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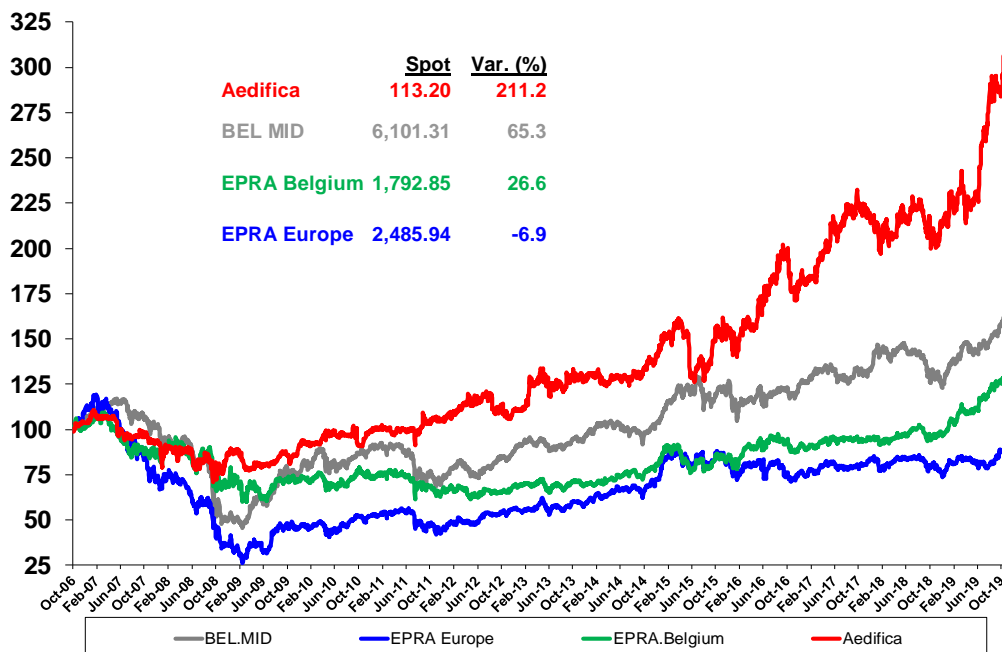
2. Graphic illustrations of Aedifica's stock price

The stock prices below cover the period between Aedifica's IPO and 31 December 2019.

Aedifica's total return¹⁵ compared to indices



Aedifica's stock price evolution compared to indices



¹⁵ Taking into account the value of the subscription rights of the rights issues of 2010 (-€1.89), 2012 (-€1.93), 2015 (-€0.89), 2017 (-€1.60) and 2019 (-€2.76), the IPO price of €41 was adjusted to €31.93.



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3. Shareholding structure

Aedifica shareholders holding more than 5% of the Company's capital are listed in the table below (as of 31 December 2019, based on the number of shares held by the shareholders concerned as of 5 July 2019)¹⁶.

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

The total number of shares is 24,601,158.

4. Financial calendar¹⁷

Financial calendar	
Interim statement 31.03.2020	20/05/2020
Annual press release 30.06.2020	2/09/2020
2019/2020 Annual Financial Report	September 2020
Annual General Meeting 2020	27/10/2020
Dividend – payment coupon relating to the 2019/2020 financial year	As from 4/11/2020
Interim statement 30.09.2020	13/11/2020
Half year results 31.12.2020	February 2021

¹⁶ Declarations of transparency (including control strings) are available on Aedifica's website. The Company has not received any additional declarations of transparency since 5 July 2019. According to the definition of Euronext, Aedifica's free float amounts to 100%.

¹⁷ These dates are subject to change.



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IV. Property report

1. Consolidated property portfolio

1.1. Marketable investment properties¹⁸

	Subsidiary ⁽¹⁾	Total surface (m ²)	Residential units	Contractual rents ⁽²⁾	Estimated rental value (ERV) ⁽²⁾
Investment properties		1,237,740	21,096	149,223,322	150,707,241
Belgium		460,095	7,929	57,046,380	58,462,089
Senior Living Group		156,981	2,690	18,934,628	19,574,555
Au Bon Vieux Temps		7,868	104	871,926	835,800
Beerzelhof		5,025	61	338,777	488,000
Coham		6,956	120	913,027	842,000
De Edelweis		6,914	122	794,389	943,000
De Witte Bergen		8,262	119	1,046,351	955,150
Ennea		1,848	34	204,023	154,700
Ezeldijk		7,101	105	745,114	882,000
Helianthus		4,799	67	492,564	500,000
Heydeveld		6,167	110	649,695	712,200
Kasteelhof		3,500	81	368,093	443,070
Les Jardins de la Mémoire		6,852	110	707,656	791,999
Oosterzonne		4,948	82	750,409	648,725
Op Haanven		6,587	111	706,238	783,000
Résidence Aux Deux Parcs		1,618	53	333,110	304,000
Residentie Boneput		2,993	78	477,350	457,900
Résidence du Plateau		8,069	143	1,336,263	1,263,000
Résidence Exclusiv		4,253	104	746,947	711,000
Résidence l'Air du Temps		7,197	137	918,109	1,004,000
Résidence Les Cheveux d'Argent		4,996	99	432,370	555,000
Residentie Sporenpark		9,261	127	1,116,251	1,103,000
Seniorenhof		3,116	52	328,059	224,941
De Maretak		5,684	122	556,452	797,000
Melopee		2,967	70	518,984	469,000
Sorgvliet		4,517	83	561,279	533,520
't Hoge		4,632	81	709,293	788,000
Uilenspiegel		6,863	97	757,880	683,550
Villa Vinkenbosch		9,153	114	988,687	1,057,000
Wielant		4,834	104	565,330	644,000
Armonea		123,762	2,054	15,820,075	16,038,540
De Notelaar		8,651	94	1,019,896	1,114,000
De Stichel		8,429	153	915,388	1,116,440
Eyckenborch		8,771	141	1,167,660	983,000
Gaerveld		6,994	115	832,855	874,000
Hestia		12,682	222	1,446,061	1,776,000
Huize Lieve Moenssens		4,597	78	582,743	561,600
Koning Albert I		7,775	110	968,346	977,000
Larenshof		6,988	117	1,079,527	1,011,000
Les Charmes en Famenne		3,165	96	314,516	417,600
Marie-Louise		1,959	30	389,087	199,500
Overbeke		6,917	113	840,716	881,400
Plantijn		7,310	110	1,047,986	825,000
Pont d'Amour		8,984	150	1,039,081	1,022,000
Residentie Gaerveld		1,504	20	177,780	170,000
Rietdijk		2,155	60	369,523	414,000
Salve		6,730	117	1,130,792	1,033,000
Senior Flandria		7,501	108	651,406	752,000
La Pairelle		6,016	118	803,462	840,000
Ter Venne		6,634	102	1,043,249	1,071,000
Vulpia		91,625	1,327	10,570,295	10,612,590
Blaret		9,578	107	1,110,881	934,650
Demerhof		10,657	120	993,625	1,020,000
Halmolen		9,200	140	1,077,444	1,082,000
La Ferme Blanche		4,240	90	568,991	605,200
Leopoldspark		10,888	153	1,272,968	1,277,460
Residentie Den Boomgaard		6,274	90	710,209	702,000
Residentie Kartuizerhof		10,845	128	986,632	1,016,480
Residentie Poortvelden		5,307	60	473,187	462,000

¹⁸ It is not in the interest of the shareholder to publish the values by building. The addresses of the buildings are available in the 2018/2019 Annual Financial Report. Addresses of the acquisitions since 1 July 2019 are available in the related press releases.



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Residentie van de Vrede		3,793	107	730,000	880,000
't Spelthof		4,076	100	800,839	707,000
Twee poorten		8,413	129	1,032,521	1,057,800
Villa Temporis		8,354	103	812,998	868,000
Orpea		47,985	1,159	7,127,279	6,948,100
Bel-Air		5,350	161	761,172	755,000
Château Chenois		6,354	115	930,065	1,042,000
Jardins de Provence		2,280	72	418,645	370,000
New Philip		3,914	111	509,985	520,000
Residentie Augustin		4,832	94	566,349	672,100
Résidence du Golf		6,424	194	815,930	946,000
Résidence Grange des Champs		3,396	75	450,390	504,000
Résidence Parc Palace		6,719	162	1,318,536	1,046,000
Résidence Service		8,716	175	1,356,208	1,093,000
Hof van Schoten SPRL		8,313	101	840,000	1,075,000
Hof van Schoten		8,313	101	840,000	1,075,000
Time for Quality		5,824	58	446,800	667,000
Klein Veldeken		5,824	58	446,800	667,000
Buitenhof ASBL		4,386	80	576,882	739,000
Buitenhof		4,386	80	576,882	739,000
Résidence de La Houssière		4,484	94	613,258	545,200
Résidence La Houssière		4,484	94	613,258	545,200
Dorian groep		4,827	104	569,604	550,357
De Duinpieper		4,827	104	569,604	550,357
Vivalto		4,526	91	600,104	545,200
Prinsenhof ⁽³⁾		4,526	91	600,104	545,200
Bremdael ASBL		3,500	66	350,000	518,862
Bremdael	(w)	3,500	66	350,000	518,862
Pierre Invest SA		2,272	65	466,596	476,000
Bois de la Pierre		2,272	65	466,596	476,000
Le Carrosse		1,290	36	98,884	138,000
La Boule de Cristal		1,290	36	98,884	138,000
Other		320	4	31,975	33,685
Villa Bois de la Pierre		320	4	31,975	33,685
Germany		281,478	5,304	30,459,374	30,260,605
Vitanas		73,532	1,451	7,042,917	6,708,739
Am Bäkepark	(i)	3,828	90	456,000	441,396
Am Kloster	(f)	5,895	136	752,007	689,764
Am Schäfersee	(j)	12,658	187	650,879	673,696
Am Stadtpark	(j)	7,297	135	501,192	491,128
Am Tierpark	(i)	13,549	217	1,093,050	1,095,936
Frohnau	(f)	4,101	107	590,817	516,745
Patricia	(g)	7,556	174	1,050,324	1,156,070
Rosengarten	(i)	6,538	165	550,000	498,980
Rosenpark	(g)	4,934	79	470,018	370,021
St. Anna	(g)	7,176	161	928,629	775,004
Residenz Management		24,564	442	3,412,411	3,345,118
Bremerhaven I	(k)	6,077	85	951,451	911,490
Bremerhaven II	(k)	2,129	42	310,181	293,806
Cuxhaven	(k)	810	9	108,239	102,127
Die Rose im Kalletal	(c)	4,027	96	682,962	685,892
Senioreneinrichtung Haus Elisabeth	(d)	3,380	80	585,587	577,980
Senioreneinrichtung Haus Matthäus	(d)	2,391	50	365,992	365,823
Sonnenhaus Ramsloh	(l)	5,750	80	408,000	408,000
Orpea		20,507	444	3,173,267	3,169,914
Bonifatius Seniorenzentrum	(d)	3,967	80	617,833	606,951
Seniorenresidenz Am Stübchenbach	(e)	5,874	130	807,926	828,234
Seniorenresidenz Kierspe	(e)	3,721	79	565,907	546,987
Seniorenresidenz Klosterbauerschaft	(c)	3,497	80	609,193	608,478
Seniorenresidenz Mathilde	(c)	3,448	75	572,408	579,264
EMVIA		28,703	608	2,923,076	2,831,737
Residenz Zehlendorf	(h)	4,540	180	600,000	554,920
Seniorenpflegezentrum Zur alten Linde		4,208	82	368,000	385,278
Seniorenquartier Lübbecke	(m)	4,240	80	576,276	572,400
Seniorenquartier Schwerin	(m)	5,000	87	646,800	630,000
Seniorenwohnpark Hartha		10,715	179	732,000	689,139
Azurit Rohr		29,862	465	2,366,742	2,601,640
Azurit Seniorenresidenz Cordula 1		4,970	75	312,051	357,824
Azurit Seniorenresidenz Cordula 2		1,204	39	162,267	176,954
Azurit Seniorenresidenz Sonneberg		4,876	101	583,416	614,402
Hansa Pflege- und Betreuungszentrum Dornum		11,203	106	426,000	436,917
Seniorenzentrum Weimar		7,609	144	883,008	1,015,542



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Alloheim		18,695	378	2,326,356	2,410,359
AGO Dresden		5,098	116	583,234	670,950
AGO Herkenrath		4,000	80	586,606	613,273
AGO Kreischa		3,670	84	416,516	414,896
Bonn		5,927	98	740,000	711,240
Argentum		16,086	294	1,623,000	1,479,982
Haus Alba		2,560	64	225,000	238,061
Haus Arche		531	13	75,000	31,832
Haus Concolor		5,715	74	510,000	411,480
Haus Nobilis		3,186	70	525,000	516,122
Seniorenheim J.J. Kaendler		4,094	73	288,000	282,486
Convivo		11,845	202	1,368,309	1,472,093
Haus am Jungfernstieg		2,457	60	363,309	361,179
Park Residenz		6,113	79	640,000	696,882
Seniorenhaus Wiederitzsch		3,275	63	365,000	414,032
Schloss Bensberg Management GmbH		8,215	87	1,009,336	1,159,496
Service-Residenz Schloss Bensberg		8,215	87	1,009,336	1,159,496
Casa Reha		7,618	151	901,228	960,549
Haus Steinbachhof		7,618	151	901,228	960,549
SARA		7,900	126	640,000	616,177
SARA Seniorenresidenz		7,900	126	640,000	616,177
Deutsche Pflege und Wohnstift GmbH		4,310	126	654,261	724,060
Seniorenheim am Dom		4,310	126	654,261	724,060
Cosiq GmbH		5,534	120	667,698	639,441
Pflegeteam Odenwald		1,202	32	222,218	223,563
Seniorenresidenz an den Kienfichten		4,332	88	445,480	415,879
Die Johanniter		3,950	74	509,312	427,164
Johanniter-Haus Lüdenscheid	(l)	3,950	74	509,312	427,164
Advita Pflegedienst		6,422	91	464,616	462,384
Advita Haus Zur Alten Berufsschule		6,422	91	464,616	462,384
Deutsches Rotes Kreuz Kreisverband Nordfriesland e. V.		4,088	83	522,000	490,560
DRK Käthe-Bernhardt-Haus		4,088	83	522,000	490,560
Seniorenresidenz Laurentiusplatz GmbH		5,506	79	452,605	363,661
Laurentiusplatz		5,506	79	452,605	363,661
Volkssolidarität		4,141	83	402,240	397,531
Goldene Au		4,141	83	402,240	397,531
Netherlands		255,049	2,084	22,220,697	24,650,316
Stichting Vitalis Residentiële Woonvormen		90,981	446	3,986,705	4,830,000
Genderstate	(a)	8,813	44	521,138	605,000
Parc Imstenrade	(a)	57,181	263	2,110,609	2,630,000
Petruspark	(a)	24,987	139	1,354,959	1,595,000
Ontzorgd Wonen Groep		44,612	358	3,232,495	3,483,784
De Statenhof	(a)	6,468	54	440,524	440,524
Kening State	(a)	10,750	70	630,000	738,900
Residentie Boldershof	(a)	2,261	33	330,393	330,393
Residentie Sibellius	(a)	14,294	96	833,967	833,967
Zorghuis Smakt	(a)	2,111	30	207,748	240,000
Zorgresidentie Mariëndaal	(a)	8,728	75	789,862	900,000
NNCZ		38,440	340	2,785,000	2,785,000
De Kaap	(a)	6,254	61	569,700	570,000
De Vecht	(a)	8,367	79	670,625	670,000
Krakeel	(a)	5,861	57	492,425	490,000
Wolfsbos	(a)	11,997	93	789,025	790,000
WZC Beatrix	(a)	5,961	50	263,225	265,000
Compartijn		15,606	173	2,706,929	2,955,000
Huize de Compagnie	(a)	3,471	42	580,000	635,000
Huize Eresloo	(a)	2,350	28	421,875	455,000
Huize Groot Waardijn	(a)	1,918	26	421,875	455,000
Huize Hoog Kerckebosch	(a)	2,934	32	547,627	595,000
Huize Roosdael	(a)	2,950	26	421,875	470,000
Huize Ter Beegden	(a)	1,983	19	313,677	345,000
Martha Flora		12,788	140	2,393,344	2,625,000
Martha Flora Bosch en Duin	(a)	2,241	27	466,087	505,000
Martha Flora Den Haag	(a)	2,259	28	573,212	620,000
Martha Flora Hilversum	(a)	4,055	31	567,231	630,000
Martha Flora Hoon	(a)	780	12	81,683	95,000
Martha Flora Lochem	(a)	1,012	13	169,130	185,000
Martha Flora Rotterdam	(a)	2,441	29	536,000	590,000
Domus Magnus		8,072	99	2,091,297	2,280,000
Benvenuta	(a)	924	10	220,360	240,000
Holland	(a)	2,897	34	849,960	915,000
Molenenk	(a)	2,811	40	708,112	775,000
Villa Walgaerde	(a)	1,440	15	312,864	350,000



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Stepping Stones Home & Care					
Stepping Stones Home & Care		6,400	93	1,255,480	1,395,000
Saksen Weimar	(a)	2,291	42	531,448	600,000
Spes Nostra	(a)	2,454	30	473,332	520,000
Villa Nova	(a)	1,655	21	250,700	275,000
Het Gouden Hart					
Het Gouden Hart		6,243	72	1,010,683	1,110,000
HGH Driebergen	(a)	353	9	79,493	85,000
HGH Kampen	(a)	3,610	37	510,370	570,000
HGH Leersum	(a)	2,280	26	420,820	455,000
Stichting Zorggroep Noorderboog					
Stichting Zorggroep Noorderboog		13,555	140	834,110	1,030,000
Oeverlanden	(a)	13,555	140	834,110	1,030,000
Stichting Nusantara					
Stichting Nusantara		4,905	70	625,000	720,000
Rumah Saya	(b)	4,905	70	625,000	720,000
Stichting Leger des Heils Welzijns- en Gezondheidszorg					
Stichting Leger des Heils Welzijns- en Gezondheidszorg		6,014	75	425,568	425,568
De Merenhoef	(a)	6,014	75	425,568	425,568
Stichting Oosterlengte					
Stichting Oosterlengte		4,380	32	413,569	500,000
Het Dokhuis	(a)	4,380	32	413,569	500,000
Orpea		1,466	20	248,000	275,000
September Nijverdal	(a)	1,466	20	248,000	275,000
Omega		1,587	26	212,517	235,964
Meldestraat	(a)	1,587	26	212,517	235,964
United Kingdom					
		241,119	5,779	39,496,871	37,334,230
Maria Mallaband					
Maria Mallaband		38,302	908	7,107,366	7,117,047
Ashmead	(v)	4,557	110	925,281	852,165
Belvoir Vale	(q)	2,158	56	822,780	628,839
Blenheim	(v)	2,288	64	330,451	382,005
Coplands	(v)	3,445	79	694,745	740,502
Eltandia Hall	(v)	3,531	83	510,676	593,577
Glennie House	(r)	2,279	52	144,220	223,326
Heritage	(v)	2,972	72	842,816	916,812
Kings Court (MM)	(v)	2,329	60	299,984	329,112
Knights Court	(v)	3,100	80	409,536	499,545
Ottery	(s)	3,513	62	805,149	805,149
River View	(v)	5,798	137	922,211	910,935
The Windmill	(v)	2,332	53	399,518	235,080
Burlington					
Burlington		46,518	1,158	7,745,765	6,746,796
Bessingby Hall	(q)	2,471	65	547,369	499,545
Cherry Trees	(q)	3,178	81	283,491	276,219
Crystal Court	(r)	2,879	60	587,700	570,069
Figham House	(q)	2,131	63	602,681	511,299
Foresters Lodge	(q)	2,241	69	355,868	446,652
Highfield Care Centre	(q)	3,260	88	528,930	411,390
Maple Court	(p)	3,045	64	570,069	534,807
Maple Lodge	(q)	1,673	55	220,493	229,203
Priestley	(q)	1,520	40	293,850	293,850
Randolph House	(q)	2,433	60	251,992	211,572
Southlands	(q)	1,812	48	436,696	235,080
The Elms	(q)	1,280	37	338,980	176,310
The Elms & Oakwood	(q)	5,361	80	440,985	417,267
The Grange	(q)	2,919	73	313,186	311,481
The Hawthornes	(q)	1,512	40	293,850	264,465
The Lawns	(q)	2,459	62	233,626	246,834
The Limes	(q)	3,414	97	887,685	687,609
The Sycamores	(q)	1,627	40	293,850	276,219
York House	(q)	1,302	36	264,465	146,925
Care UK					
Care UK		32,368	740	4,303,110	4,061,007
Armstrong House	(u)	2,799	71	363,054	382,005
Cheviot Court	(u)	2,978	73	616,694	587,700
Church View	(u)	1,653	42	155,417	199,818
Collingwood Court	(u)	2,525	63	559,501	517,176
Elwick Grange	(u)	2,493	60	344,404	293,850
Grangewood Care Centre	(u)	2,317	50	360,567	287,973
Hadrian House	(u)	2,487	55	343,160	329,112
Hadrian Park	(u)	2,892	73	280,994	252,711
Ponteland Manor	(u)	2,160	52	198,934	193,941
Stanley Park	(u)	3,240	71	482,414	493,668
The Terrace	(u)	2,190	40	273,534	217,449
Ventress Hall	(u)	4,635	90	324,439	305,604
Bondcare Group					
Bondcare Group		33,879	831	4,013,277	4,507,659
Alexander Court	(v)	3,347	82	520,705	528,930
Ashwood	(v)	2,722	70	329,112	352,620
Beech Court	(v)	2,135	51	308,812	317,358
Brook House	(v)	3,155	74	347,918	411,390
Chatsworth Grange	(v)	2,558	66	302,748	340,866
Clarendon	(v)	2,132	51	197,554	252,711
Coniston Lodge	(v)	3,733	92	432,547	470,160
Derwent Lodge	(v)	2,612	62	291,499	293,850



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Green Acres	(v)	2,352	62	293,850	293,850
Moorland Gardens	(v)	3,472	79	470,160	493,668
Springfield	(v)	3,153	80	228,312	329,112
The Fountains	(v)	2,510	62	290,059	423,144
Renaissance		19,936	452	2,668,485	2,909,115
Beech Manor	(q)	2,507	46	243,697	264,465
Jesmond	(q)	2,922	65	517,652	493,668
Letham Park	(q)	2,954	70	425,835	423,144
Meadowlark	(q)	2,005	57	193,987	246,834
Persley Castle	(q)	1,550	40	258,985	252,711
The Cowdray Club	(q)	2,581	35	404,207	399,636
Torry	(q)	3,028	81	251,121	434,898
Whitecraigs	(q)	2,389	58	373,000	393,759
Four Seasons		15,781	387	2,440,130	2,491,848
Beechcare	(q)	2,739	65	822,780	822,780
Grosvenor Park	(q)	2,312	61	352,620	340,866
Hilltop Manor	(q)	2,809	80	376,128	376,128
Meadowbrook	(q)	3,334	69	324,410	352,620
Riverside View	(q)	2,362	59	352,620	364,374
The Lodge	(q)	2,226	53	211,572	235,080
Lifeways		3,880	67	2,285,347	1,498,635
Heath Farm	(q)	2,832	47	1,442,964	899,181
Sharmers Fields House	(q)	1,048	20	842,383	599,454
Brighterkind		6,177	156	1,586,790	1,680,822
Ashurst Park	(q)	2,145	47	552,438	552,438
Highfields (Notts)	(q)	1,554	49	382,005	487,791
Kingsmills	(q)	2,478	60	652,347	640,593
Caring Homes		8,898	221	1,725,935	1,310,571
Brooklyn House	(q)	1,616	38	398,289	287,973
Guysfield	(q)	2,052	51	467,097	217,449
Hillside House and Mellish House	(q)	3,629	92	553,960	481,914
Sanford House	(q)	1,601	40	306,588	323,235
Harbour Healthcare		11,582	293	1,411,626	1,222,416
Bentley Rosedale Manor	(q)	2,896	78	447,726	376,128
Devonshire House & Lodge	(q)	3,167	77	281,090	264,465
Elburton Heights	(q)	3,076	69	291,995	287,973
Tree Tops Court	(q)	2,442	69	390,814	293,850
Halcyon Care Homes		3,210	66	846,288	937,969
Hazel End	(t)	3,210	66	846,288	937,969
Majesticare		4,669	126	1,157,449	1,104,876
Lashbrook House	(q)	1,741	46	411,390	405,513
Oak Lodge	(q)	1,699	45	394,101	311,481
The Mount	(q)	1,229	35	351,958	387,882
Select Healthcare		7,462	195	969,605	840,411
Cromwell Court	(q)	2,896	67	315,007	323,235
Delves Court	(q)	2,246	62	254,239	246,834
Plas Rhosnesni	(q)	2,320	66	400,359	270,342
Priony Group		3,755	77	646,559	411,390
Bentley Court	(q)	3,755	77	646,559	411,390
Conniston Care		4,702	102	589,138	493,668
Athorpe Lodge & The Glades	(q)	4,702	102	589,138	493,668
Projects under development ⁽⁴⁾		141,056	1,809	1,808,306	0
Belgium		8,027	100	153,966	0
Armonea		8,027	100	153,966	0
Rembertus		8,027	100	153,966	0
Germany		93,445	1,239	944,955	0
EMVIA		75,408	948	697,604	0
Seniorenquartier Beverstedt	(n)	5,475	80	29,214	0
Seniorenquartier Bremen	(o)	7,057	75	48,690	0
Seniorenquartier Espelkamp	(n)	9,458	113	71,411	0
Seniorenquartier Heiligenhafen	(n)	7,391	104	59,130	0
Seniorenquartier Kaltenkirchen	(m)	6,650	123	117,180	0
Seniorenquartier Langwedel	(o)	8,250	113	72,881	0
Seniorenquartier Sehnde	(o)	6,012	90	45,117	0
Seniorenquartier Weyhe	(o)	7,373	109	97,380	0
Seniorenquartier Wolfsburg	(n)	17,742	141	156,600	0
Argentum		5,292	91	120,000	0
Haus Wellengrund		5,292	91	120,000	0
Aspida		5,095	120	74,624	0
Pflegecampus Plauen		5,095	120	74,624	0
Residenz Management		7,650	80	52,728	0
Quartier am Rathausmarkt	(l)	7,650	80	52,728	0



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	Subsidiary ⁽¹⁾	Total surface (m ²)	Residential units	Contractual rents ⁽²⁾	Estimated rental value (ERV) ⁽²⁾
Netherlands		39,584	470	709,385	0
Ontzorgd Wonen Groep		8,987	99	204,304	0
Residentie La Tour	(b)	4,250	30	89,726	0
Sorghuys Tilburg	(a)	1,289	22	43,513	0
Villa Casimir	(b)	1,273	20	33,564	0
Vinea Domini	(b)	2,175	27	37,500	0
Stepping Stones Home & Care		5,893	80	232,380	0
Natorium	(b)	1,923	26	105,000	0
Stepping Stones Zwolle	(a)	1,770	24	50,880	0
Villa Nuova	(b)	2,200	30	76,500	0
Stichting Oosterlengte		7,360	120	110,250	0
LTS Winschoten	(a)	4,560	84	72,000	0
Verpleegcentrum Scheemda	(a)	2,800	36	38,250	0
Het Gouden Hart		4,202	45	109,737	0
HGH Harderwijk	(a)	4,202	45	109,737	0
Stichting Rendant		13,142	126	52,715	0
Nieuw Heerenhage	(a)	13,142	126	52,715	0

¹ The sites specified in the table are held by one of the following subsidiaries: (a) Aedifica Nederland BV; (b) Aedifica Nederland 2 BV; (c) Aedifica Luxemburg I SCS; (d) Aedifica Luxemburg II SCS; (e) Aedifica Luxemburg III SCS; (f) Aedifica Luxemburg IV SCS; (g) Aedifica Luxemburg V SCS; (h) Aedifica Luxemburg VI SCS; (i) German Healthcare Real Estate I Beta Sàrl; (j) German Healthcare Real Estate II Gamma Sàrl; (k) Aedifica Residenzen Nord GmbH; (l) Aedifica Residenzen West GmbH; (m) Aedifica Residenzen 1 GmbH; (n) Aedifica Residenzen 2 GmbH; (o) Aedifica Residenzen 3 GmbH; (p) AED Maple Holdings Ltd; (q) AED Oak 1 Ltd; (r) AED Oak Acquisitions (Jersey); (s) AED Oak Acquisitions (Ottory); (t) Aedifica UK Ltd; (u) Chapp Acquisition Ltd; (v) Patient Properties (Holdings) Ltd; (w) Hof Van Bremdael SA. All other sites are held by Aedifica SA.

² See glossary in the 2018/2019 Annual Financial Report.

³ Recognised in the balance sheet as assets classified as held for sale.

⁴ Although still under construction, these sites already generate limited rental incomes. This explains why they were included in this table and why the number of residential units and the estimated rental value are not mentioned.

1.2. Projects and renovations in progress

All of the projects in the table below are pre-let. €36 million of the investment budget has already been realised through the completion of the acquisition of the BAVARIA Senioren- und Pflegeheim care home in Germany on 1 January 2020 (€5 million), the Wohnstift am Weinberg care home in Germany on 17 January 2020 (€10 million), the Am Parnasssturm care home in Germany on 12 February 2020 (€4.5 million) and the Am Marktplatz care home in Germany on 12 February 2020 (€2 million), and the completion of the construction works on the Seniorenquartier Kaltenkirchen care campus on 16 January 2020 (€15 million) (see Note 12 of the condensed consolidated financial statements).



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Projects and renovations (in € million) ¹		Operator	Investment	Inv. as of 31/12/2019	Future inv.	Comment
Projects in progress			320	69	250	
Completion 2019/2020			75	48	27	
BE	Kasteelhof	Senior Living Group	3	0	3	Extension of a care home
BE	SLG – energy saving project	Senior Living Group	2	0	2	Energy saving project
DE	Laurentiusplatz	Seniorenresidenz Laurentiusplatz	1	0	1	Renovation of a care home
DE	Seniorenquartier Kaltenkirchen ³	EMVIA	15	11	3	Construction of a care campus
DE	Residenz Zehlendorf	EMVIA	6	5	1	Renovation of a care home
DE	Seniorenquartier Beverstedt ³	EMVIA	10	5	5	Construction of a care campus
NL	Sorghuys Tilburg ²	Ontzorgd Wonen Groep	3	3	0	Construction of a care residence
NL	LTS Winschoten ²	Stichting Oosterlengte	13	12	0	Construction of a care residence
NL	De Merenhoef	Stichting Leger des Heils Welzijns- en Gezondheidszorg	0	0	0	Extension and renovation of a care home
NL	De Statenhof	Ontzorgd Wonen Groep	2	1	1	Extension and renovation of a care home
NL	Residentie Boldershof	Ontzorgd Wonen Groep	1	0	1	Renovation of a care home
NL	Verpleegcentrum Scheemda ²	Stichting Oosterlengte	4	1	3	Construction of a care home
NL	Het Gouden Hart Harderwijk ²	Het Gouden Hart	7	5	1	Construction of a healthcare site
NL	Residentie La Tour ²	Ontzorgd Wonen Groep	6	2	4	Redevelopment of a healthcare site
NL	Villa Casimir ²	Ontzorgd Wonen Groep	2	0	2	Redevelopment of a care residence
Completion 2020/2021			176	20	155	
BE	De Duinpieper	Dorian groep	3	2	1	Extension and renovation of a care home
BE	Sorgvliet	Senior Living Group	5	0	5	Extension of a care home
BE	Résidence Aux Deux Parcs	Senior Living Group	3	2	2	Extension of a care home
BE	Residentie 't Spelthof	Vulpia	6	0	5	Extension of a care home
NL	Nieuw Heerenhage ²	Stichting Rendant	20	2	18	Construction of a healthcare site
NL	Residentie Sibelius	Ontzorgd Wonen Groep	9	0	9	Renovation of a healthcare site
NL	Stepping Stones Zwolle ²	Stepping Stones Home & Care	5	0	5	Construction of a care residence
NL	Vinea Domini ²	Ontzorgd Wonen Groep	3	0	3	Redevelopment of a care residence
NL	Villa Nuova ²	Stepping Stones Home & Care	5	0	5	Construction of a care residence
DE	Pflegecampus Plauen ²	Aspida	11	4	7	Construction of a care home
DE	Seniorenquartier Espelkamp ³	EMVIA	15	2	13	Construction of a care campus
DE	Seniorenquartier Heiligenhafen ³	EMVIA	13	1	12	Construction of a care campus
DE	Seniorenquartier Bremen ³	EMVIA	15	1	14	Construction of a care campus
DE	Seniorenquartier Weyhe ³	EMVIA	15	0	15	Construction of a care campus
DE	Seniorenquartier Sehnde ³	EMVIA	12	0	12	Construction of a care campus
DE	Seniorenheim Haus Wellengrund ²	Argentum	8	1	7	Redevelopment of a care home
DE	Seniorenquartier Wolfsburg ³	EMVIA	28	4	24	Construction of a care campus
Completion 2021/2022			46	1	45	
DE	Seniorenquartier Langwedel ³	EMVIA	16	0	15	Construction of a care campus
DE	Quartier am Rathausmarkt	Residenz Management	15	1	15	Construction of a care home
NL	Natatorium	Stepping Stones Home & Care	3	0	3	Extension of a care home
UK	Burlington projects	Burlington	4	0	4	Extension of care homes
UK	MMCG - extension projects	Maria Mallaband Care Group	8	0	8	Extension of care homes
Completion 2023/2024			23	0	23	
DE	Am Schäfersee	Vitanas	10	0	10	Renovation of a care home
DE	Am Stadtpark	Vitanas	5	0	5	Renovation of a care home
DE	Rosengarten	Vitanas	8	0	8	Renovation of a care home
DE	Am Tierpark	Vitanas	1	0	1	Renovation of a care home
Land reserve			2	2	0	
BE	Terrain Bois de la Pierre	-	2	2	0	-
Acquisitions subject to outstanding conditions			45	0	45	
Completion 2019/2020			26	0	26	
DE	Wohnstift am Weinberg	Cosiq	20	0	20	Acquisition and renovation of a care home
DE	BAVARIA Senioren- und Pflegeheim	Auriscare	6	0	6	Acquisition and renovation of a care home
Completion 2021/2022			7	0	7	
DE	Seniorenhaus Lessingstrasse	Seniorenhaus Lessingstrasse	7	0	7	Construction of a care home
Completion 2023/2024			12	0	12	
DE	Am Parnassturm	Vitanas	8	0	8	Acquisition and renovation of a care home
DE	Am Marktplatz	Vitanas	4	0	4	Acquisition and renovation of a care home
Projects subject to outstanding conditions			114	0	114	
Completion 2020/2021			71	0	71	
BE	Uilenspiegel	Senior Living Group	2	0	2	Extension of a care home
BE	Residentie van de Vrede	Vulpia	2	0	2	Extension of a care home
BE	Rembertus	Armonea	12	0	12	Construction of a care home
DE	Specht Gruppe (2020/2021) ³	EMVIA	36	0	36	Construction & acquisition of care campuses
NL	Rendant Aldlânstate	Stichting Rendant	20	0	20	Construction of a senior housing site
Completion 2021/2022			42	0	42	
DE	Specht Gruppe (2021/2022) ³	EMVIA	42	0	42	Construction & acquisition of care campuses
TOTAL PIPELINE			480	71	409	
Changes in fair value			-	-3	-	
Roundings			-	1	-	
On balance sheet				69		

¹ Amounts in £ were converted into € based on the exchange rate of 31 December 2019 (1.1754 £/€).

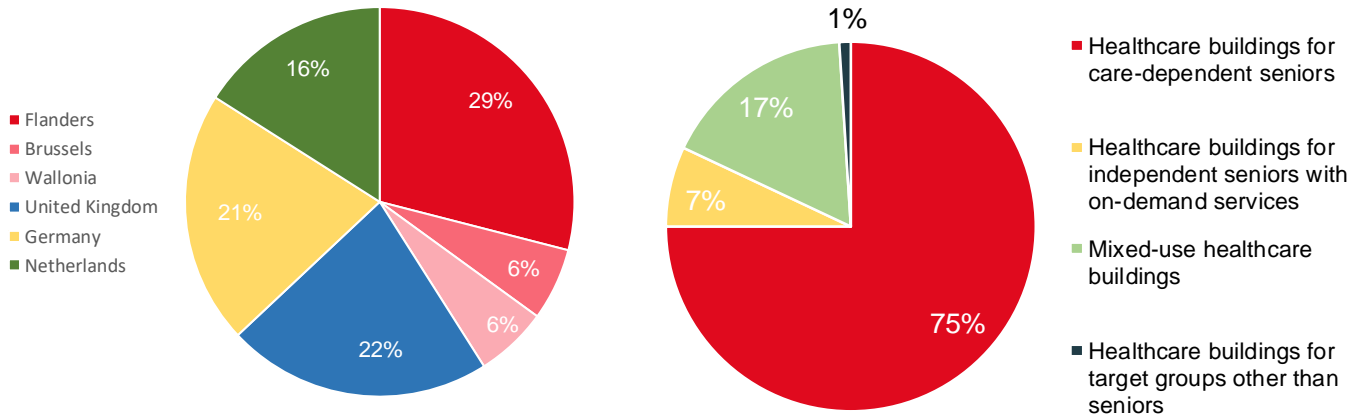
² Although still under construction, the sites already generate limited rental incomes, in particular for the plots of land that have already been acquired. Their values are therefore no longer mentioned in the table above. This explains why the estimated investment values differ from those mentioned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

³ Part of the cooperation agreement with Specht Gruppe.



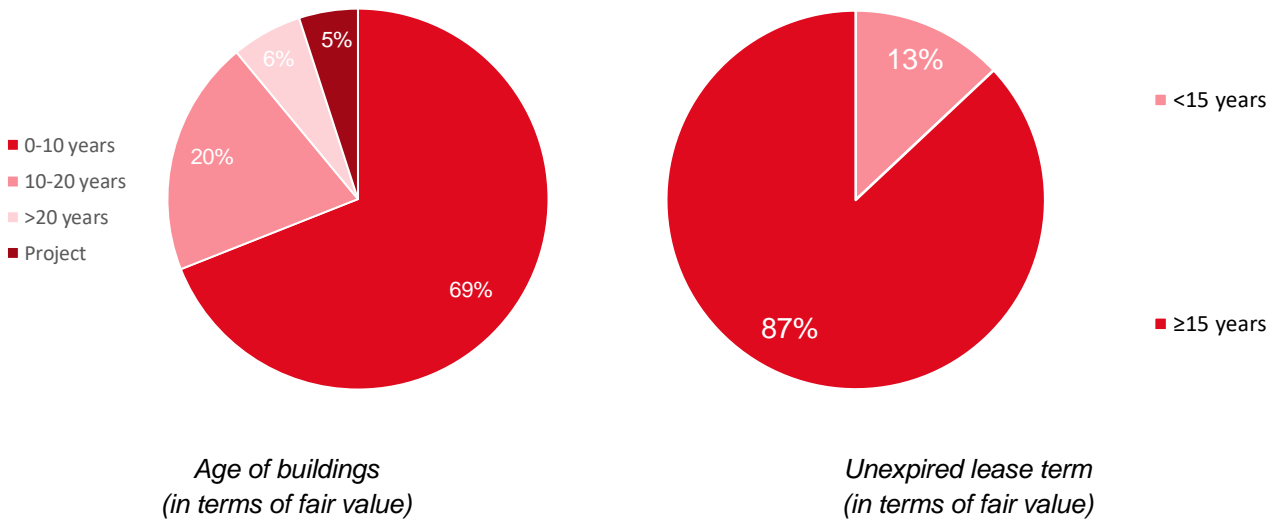
2. Portfolio analysis as of 31 December 2019

2.1. Key figures



*Geographical breakdown
(in terms of fair value)*

*Breakdown by healthcare segment
(in terms of fair value)*



*Age of buildings
(in terms of fair value)*

*Unexpired lease term
(in terms of fair value)*

The weighted average unexpired lease term (WAULT) for all buildings in the Company's portfolio is 21 years.

The overall occupancy rate of the total portfolio reached 100%.



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2.2. Breakdown of senior housing contractual rents by group controlling the legal entities in contractual relation with Aedifica

Country	Group controlling the legal entities in contractual relation with Aedifica	Tenants	Number of sites	31/12/2019	30/06/2019
HEALTHCARE REAL ESTATE			290	100%	100%
Belgium			79	38%	42%
	Senior Living Group ^{1°}		28	13%	14%
		Ennea Rustoord VZW/ASBL	1	0%	0%
		FDL Group GCV/SCS	1	1%	1%
		Foyer De Lork VZW/ASBL	6	3%	3%
		Helianthus VZW/ASBL	1	0%	0%
		Heydeveld Woon- en Zorgcentrum VZW/ASBL	1	0%	0%
		Home Residence du Plateau BVBA/SPRL	1	1%	1%
		Les Jardins de la Mémoire VZW/ASBL	1	0%	1%
		Proinvest BVBA/SPRL	1	0%	0%
		Résidence Au Bon Vieux Temps NV/SA	1	1%	1%
		Résidence Les Cheveux d'Argent NV/SA	1	0%	0%
		Residentie Kasteelhof GCV/SCS	1	0%	0%
		Residentie Sporenpark BVBA/SPRL	1	1%	1%
		Rustoord 't Hoge VZW/ASBL	1	0%	0%
		Senior Living Group NV/SA	8	4%	4%
		Seniorie de Maretak NV/SA	1	0%	0%
		Wielant -Futuro GCV/SCS	1	0%	0%
	Armonea ²		20	11%	12%
		Armonea NV/SA	8	5%	5%
		Citadelle Mosane BVBA/SPRL	1	1%	1%
		Eyckenborgh VZW/ASBL	2	1%	2%
		Gravenkasteel VZW/ASBL	1	0%	0%
		Happy Old People BVBA/SPRL	1	0%	0%
		Huize Lieve Moenssens VZW/ASBL	5	2%	3%
		LDC De Wimilingen VZW/ASBL	1	0%	0%
		Restel Flats BVBA/SPRL	1	1%	1%
	Vulpia		12	7%	8%
		Oase VZW/ASBL	3	2%	2%
		Vulpia Brussel VZW/ASBL	1	0%	1%
		Vulpia Vlaanderen VZW/ASBL	7	4%	5%
		Vulpia Wallonie VZW/ASBL	1	0%	0%
	Orpea		9	5%	5%
		Château Chenois Gestion BVBA/SPRL	3	1%	2%
		New Philip NV/SA	3	1%	1%
		Parc Palace NV/SA	1	1%	1%
		Progestimmob NV/SA	1	1%	1%
		Résidence du Golf NV/SA	1	1%	1%
	Other		8	2%	3%
		Bremdael VZW/ASBL	1	0%	0%
		Buitenhof VZW/ASBL	1	0%	0%
		Hof van Schoten BVBA/SPRL	1	1%	1%
		Le Château de Tintagel BVBA/SPRL	1	0%	0%
		Other	1	0%	0%
		Résidence Bois de la Pierre NV/SA	1	0%	0%
		Résidence de la Houssière NV/SA	1	0%	0%
		WZC Prinsenhof VZW/ASBL	1	0%	0%
	Time for Quality		1	0%	0%
		Service Flat Residenties VZW/ASBL	1	0%	0%
	Dorian Groep		1	0%	0%
		Fripomat BVBA/SPRL	1	0%	0%

¹ Korian Group.

² Colisée Group.



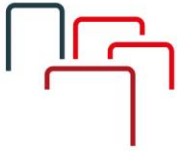
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Country	Group controlling the legal entities in contractual relation with Aedifica	Tenants	Number of sites	31/12/2019	30/06/2019
Germany			67	21%	17%
	Vitanas		10	5%	3%
		Vitanas GmbH & Co. KGaA	10	5%	3%
	EMVIA		14	2%	1%
		Aventium Seniorenpflege GmbH	1	0%	0%
		Aventium Senioren-Wohnpark Hartha GmbH, GbR	1	0%	0%
		EMVIA	11	1%	1%
		Residenz Zehlendorf Kranken- und Pflegeheim GmbH	1	0%	0%
	Residenz Management		8	2%	2%
		Ambulanter Pflegedienst Weser GmbH	3	1%	1%
		Katholische Hospitalgesellschaft Südwestfalen GmbH Olpe	2	1%	1%
		Medeor Senioren-Residenz GmbH	1	0%	1%
		Sonnenhaus Saterland (Mevr. Henkel)	1	0%	0%
		Specht & Tegler	1	0%	0%
	Orpea		5	2%	2%
		Bonifatius Seniorendienste GmbH	1	0%	0%
		Senioren Wohnpark Weser GmbH	3	1%	1%
		Seniorenresidenz Kierspe GmbH	1	0%	0%
	Azurit Rohr		5	2%	1%
		Azurit Rohr GmbH	5	2%	1%
	Alloheim		4	2%	2%
		AGO Dresden Betriebsgesellschaft für Sozialeinrichtungen mbH	1	0%	0%
		AGO Herkenrath Betriebsgesellschaft für Sozialeinrichtungen mbH	1	0%	0%
		AGO Weisseritz Betriebsgesellschaft für Sozialeinrichtungen mbH	1	0%	0%
		Senator Senioren- und Pflegeeinrichtungen gGmbH	1	0%	1%
	Argentum		6	1%	1%
		Seniorenheim J.J. Kaendler GmbH	1	0%	0%
		Tannenhof Fachpflegeheime GmbH	4	1%	1%
		Argentum Holding GmbH	1	0%	0%
	Convivo		3	1%	1%
		Parkresidenz Pflege & Betreuung GmbH	1	0%	0%
		Seniorenzentrum Haus am Jungfernstieg GmbH	1	0%	0%
		Seniorenresidenz Wiederitzsch GmbH	1	0%	0%
	Other		2	1%	1%
		Schloss Bensberg Management GmbH	1	1%	1%
		Seniorenresidenz Laurentiusplatz GmbH	1	0%	0%
	Casa Reha ¹		1	1%	0%
		Casa Reha Altenpflegeheim GmbH	1	1%	0%
	SARA		1	0%	0%
		SARA Seniorenresidenzen GmbH	1	0%	0%
	DPUW ²		1	0%	0%
		Deutsche Pflege und Wohnstift GmbH	1	0%	0%
	Cosiq		2	0%	0%
		Cosiq GmbH	1	0%	0%
		Pflegeteam Odenwald GmbH	1	0%	0%
	Johanniter		1	0%	0%
		Johanniter gGmbH	1	0%	0%
	Advita		1	0%	0%
		Zusammen Zuhause GmbH	1	0%	0%
	DRK Kreisverband Nordfriesland e. V.		1	0%	0%
		DRK Pflegedienste Nordfriesland gGmbH	1	0%	0%
	Volkssolidarität		1	0%	0%
		Volkssolidarität Südthüringen e. V.	1	0%	0%
	Aspida		1	0%	0%
		Aspida GmbH	1	0%	0%

¹ Korian Group.

² Colisée Group.



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Country	Group controlling the legal entities in contractual relation with Aedifica	Tenants	Number of sites	31/12/2019	30/06/2019
Netherlands			53	15%	14%
	Vitalis		3	3%	3%
		Stichting Vitalis Residentiële Woonvormen	3	3%	3%
	Ontzorgd Wonen Groep ¹		10	2%	3%
		Boeijend Huys Ouderenzorg BV	1	0%	0%
		European Care Residence Hotels and Resorts BV	4	1%	1%
		Herstelzorg Nederland BV	1	0%	0%
		Ontzorg Wonen Nederland BV	1	0%	0%
		Residentie Mariëndaal Facilitair BV	1	1%	1%
		Zorghuis Nederland Holding BV	1	0%	0%
		Zorghuis Roermond BV	1	0%	0%
		Zorghuis Smakt Facilitair BV	1	0%	0%
	NNCZ		5	2%	0%
		Noord Nederlandse Coöperatie van Zorgorganisaties	5	2%	2%
	Compartijn		6	2%	2%
		Compartijn Exploitatie BV	6	2%	2%
	Martha Flora		6	2%	2%
		Bronovo Martha Flora BV	1	0%	0%
		Martha Flora BV	2	0%	0%
		Martha Flora Bosch en Duin BV	1	0%	0%
		Martha Flora Hilversum BV	1	0%	0%
		Martha Flora Lochem BV	1	0%	0%
	Domus Magnus		4	1%	2%
		DM Benvenuta BV	1	0%	0%
		DM Molenek BV	1	0%	1%
		DM Walgaerde BV	1	0%	0%
		Panta Rhei V BV	1	1%	1%
	Stepping Stones Home & Care ²		6	1%	1%
		Poort van Sachsen Weimar BV	1	0%	0%
		Stepping Stones Leusden BV	1	0%	0%
		Stepping Stones Zwolle BV	1	0%	0%
		Villa Spes Nostra BV	1	0%	0%
		Stepping Stones Home & Care Holding BV	2	0%	0%
	Het Gouden Hart ¹		4	1%	1%
		Het Gouden Hart Driebergen BV	1	0%	0%
		Het Gouden Hart Kampen Holding BV	1	0%	0%
		Het Gouden Hart van Leersum BV	1	0%	0%
		HGH Wonen I BV	1	0%	0%
	Other		1	1%	1%
		Stichting Zorggroep Noorderboog	1	1%	1%
	Stichting Nusantara		1	0%	0%
		Stichting Nusantara	1	0%	0%
	Stichting Oosterlengte		3	0%	0%
		Multi tenant	2	0%	0%
		Stichting Oosterlengte	1	0%	0%
	Stichting Leger des Heils Welzijns- en Gezondheidszorg		1	0%	0%
		Stichting Leger des Heils Welzijns- en Gezondheidszorg	1	0%	0%
	Orpea		1	0%	0%
		September Nijverdal BV	1	0%	0%
	Omega		1	0%	0%
		Omega	1	0%	0%
	Stichting Rendant		1	0%	0%
		Stichting Rendant	1	0%	0%

¹ In February 2020, Korian Group has taken over the operation of 12 sites of Aedifica's portfolio, which were initially operated by Het Gouden Hart and Ontzorgd Wonen Groep. See section 3.5 of the Interim Management Report above.

² Korian Group.



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Country	Group controlling the legal entities in contractual relation with Aedifica	Tenants	Number of sites	31/12/2019	30/06/2019
United Kingdom			91	26%	27%
	Maria Mallaband		12	5%	5%
		Belvoir Vale Care Homes Ltd	1	1%	1%
		Countrywide Care	1	0%	0%
		MMCG (2) Ltd	9	4%	3%
		MMCG (3) Ltd	1	1%	1%
	Burlington		19	5%	5%
		Burlington Care (Yorkshire) Ltd	7	2%	2%
		Burlington Care Ltd	12	3%	3%
	Care UK		12	3%	3%
		Care UK Community Partnership Ltd	12	3%	3%
	Bondcare Group		12	3%	3%
		Bondcare (London) Ltd	9	2%	2%
		Ultima Care Centres (No 1) Ltd	3	2%	2%
	Other		4	2%	2%
		Amore Elderly Care (Wednesfield) Ltd	1	0%	0%
		Athorpe Health Care Ltd	1	0%	0%
		Autism Care (UK) Ltd	1	1%	1%
		Burgess Care Ltd	1	1%	1%
	Renaissance		8	2%	2%
		Renaissance Care (No 1) Ltd	8	2%	2%
	Four Seasons		6	2%	2%
		Four Seasons (Beechcare) Ltd	1	1%	0%
		Four Seasons (DFK) Ltd	2	0%	1%
		Four Seasons (FJBK) Ltd	1	0%	0%
		Laurels Lodge Ltd	1	0%	0%
		Tamaris Management Services Ltd	1	0%	0%
	Brighterkind		3	1%	1%
		Brighterkind (Quercus) Ltd	1	0%	0%
		Highfields Care Home Ltd	1	0%	0%
		Four Seasons (DKF) Ltd	1	0%	0%
	Caring Homes		4	1%	1%
		Brooklyn House Ltd	1	0%	0%
		Guysfield House Ltd	1	0%	0%
		Sanford House Ltd	1	0%	0%
		Stour Sudbury Ltd	1	0%	0%
	Harbour Healthcare		4	1%	1%
		Harbour Healthcare 2 Ltd	4	1%	1%
	Halcyon Care Homes		1	1%	0%
		Halcyon Care Homes Ltd	1	1%	0%
	Majesticare		3	1%	1%
		Majesticare (Lashbook) Ltd	1	0%	0%
		Majesticare (Oak Lodge) Ltd	1	0%	0%
		Majesticare (The Mount) Ltd	1	0%	0%
	Select Healthcare		3	1%	1%
		DRB Healthcare Ltd	3	1%	1%
TOTAL			290	100%	100%



3. The healthcare real estate market

3.1. Belgium¹⁹

In recent years, the number of rest home beds in Belgium has steadily increased to reach a capacity of approx. 150,000 units. According to demographic forecasts, and given the increased life expectancy, a deficit between this increased supply and demand seems to persist in the long term. The split of these beds between different types of operators remains relatively stable. In Flanders, public operators manage 30% of the beds, while not-for-profit operators and private operators manage 37% and 33%, respectively. In Wallonia, public operators manage 2% of the beds, not-for-profit operators manage 21% and private operators manage 50%. In Brussels, the number of beds managed by the private sector exceeds 60%. Given the increasing trend toward professionalisation, private operators are urged to consolidate and to improve their organisation. At present, the three main private operators (Colisée through Armonea, Orpea and Korian through Senior Living Group) manage more than 23,000 beds – approx. 17% of all beds in Belgium.

Considering the latest data, life expectancy in Belgium and Europe is increasing, reaching 78.2 years for men and 83.2 years for women. This trend will continue during the coming years, reaching 81 years for men, and 85.7 years for women, by 2030. Given the fact that the period during which elderly people suffer from health problems remains stable (about 15 years for men and 18 years for women), progress in terms of health care, home automation and home care will play an increasingly important role in limiting an early relocation to residential care facilities. As a result, people tend to transfer to a rest home around the age of 86 (in average); their average stay remains stable at 580 to 590 days. Nevertheless, the length of stay in residential care homes seems to be decreasing slightly. For newcomers, the average length of stay is currently around 370 days.

Moreover, the latest Eurostat demographic perspectives show that aging is continuing in both Europe and Belgium. The number of Belgians aged 80 and over is expected to grow from 610,000 to 790,000 by 2030, an increase of 180,000 people in 15 years or 12,000 per year. According to the OCDE, the need for care in rest homes increases with age: 25% of 75-year-olds, 30% to 40% of 80-year-olds, and more than 50% of those aged 85 and above. Based on this data, the need for new beds in residential care facilities is estimated at 3,000 to 4,000 per year. In Flanders, the need for new beds is significantly higher than in Brussels or Wallonia.

In this regard, it seems logical that health care real estate is becoming increasingly attractive to investors. The (very) long-term contracts with operators, indexed rents, and triple net leases are key factors for REITs, which were the first to enter this market, as well as for insurance companies and pension funds. The main elements for investors are the operator's solvency and the future sustainability of subsidies.

Since 2012, an average of more than €200 million has been invested annually in the Belgian healthcare real estate sector (approx. €300 million in 2015 and 2016). In 2019, the volume of investments in Belgian healthcare real estate reached a record high of more than €480 million, mainly due to the acquisition of large portfolios by various RRECs. This trend is increasing. Given the attractiveness of investments in healthcare real estate, the increased professionalisation of operators and historically low interest rates, gross rental yields are decreasing. While prime yields (based on long-term triple net leases) amounted to more than 6% in 2011-2012, they are, at the end of 2018, below the 5% threshold. The most recent

¹⁹ Written in French on 3 February 2020 by Cushman & Wakefield Belgium NV/SA, and reproduced with permission.



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transactions in 2019 indicate that the initial net return has fallen even further to 4.5%, the lowest level to date. In this context, the quality, versatility and overall sustainability of investment properties are becoming even more important.

To increase the flexibility and complementarity of real estate properties, several initiatives have been undertaken in recent years to bring together residential sites so as to provide service to several types of dependent persons. (such as service-residences or accommodation for youth with disabilities).

Given the above-mentioned demographic perspectives and the specificity of the healthcare real estate sector, it seems clear that the investment market can be expected to continue to thrive in the years to come. It is possible new actors will be attracted to the market, but the presence of the existing actors is ensured, given the benefits arising from their profound knowledge of the sector. In the coming months, yields are not expected to experience further compression.

3.2. Germany²⁰

The German healthcare market is a growth market. According to the German Statistical Office, more than three million people in Germany are currently in need of care given the terms of the German social security code. Within the next years, the share of people in need of care within the total population is estimated to grow significantly. According to the most recent data, as of the end of 2017, Germany had approx. 82.8 million inhabitants, of which around 17.7 million aged over 65 and a total of 3.4 million people in need of care. Of these 3.4 million, 2.59 million (76%) were cared for at home (68% by caregiving relatives and 32% by out-patient care services). 818,000 of the people in need of care were cared for in full-time care homes. By the year 2030, up to 3.5 million people in need of care are expected, but the number of caregiving relatives for informal care however, is set to decline. This is caused by the changes of the demographic structure within the population, altered family structures, greater distances between the homes of family members and the increased number of middle-age and older employed women. Population ageing will be further amplified by the generation of babyboomers, born between 1956 and 1965, who have already reached 60 years of age or who will turn 60 in the coming years. Consequently, the need for senior housing will increase over the next decades.

At the end of 2018, there are approx. 952,000 beds in more than 14,400 care homes in Germany, of which 94% cater to seniors and 6% cater to disabled persons or people who suffer from mental health disorders or terminal illness. These care homes are operated by not-for-profit operators (approx. 53%), private operators (approx. 42%) and public operators (approx. 5%).

According to various market studies, the capacity of care homes needs to increase by approx. 340,000 units by 2030. Thus, the ageing population offers significant growth potential and consolidation opportunities in the collective healthcare property sector in Germany.

In 2019, the investment volume in the German healthcare real estate market amounted to approx. €2.1 billion. This volume was mainly invested in rest homes (approx. €1.2 billion), followed by senior housing and assisted-living housing (€470 million), medical centres (€263 million) and hospitals (€135 million). With a transaction volume of €757 million, the fourth quarter of 2019 was the strongest last quarter ever in the German healthcare real estate market. The transactions were mainly realised by international investors, which accounted for 62% (approx. €1.3 billion) of the total transaction volume.

²⁰ Written in English on 14 January 2020 by CBRE GmbH, and reproduced with permission.



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Investors from European countries were particularly active and accounted for 92% of the total volume of transactions (38% of the total came from investors from Germany, followed by investors from France (33%) and Belgium (10%)).

At the end of 2019, the 'prime' net yield for rest homes decreased by 0.25% to 4.50%. Healthcare properties are still seen as a sustainable and common asset class, where transactions with a yield below 5% have occasionally already been registered. Moreover, thanks to a higher quality of the buildings compared to the past, healthcare real estate sites are less quickly declared outdated, as a result of which the risk premium for care properties as an asset class continues to decrease.

In 2020, the great interest of investors in healthcare real estate will continue and will only be slowed down by the availability of real estate on the market. The possibilities for building and creating new rest home capacity are limited for all market players, whether they are operators, developers, investors or the company. One of the reasons for this is the lack of construction sites. Compared to other types of real estate, the high costs of construction sites and construction works are often not economically viable in the case of healthcare real estate. However, the lack of construction sites also has a positive effect: operators are once again investing more in existing sites and renovations. In 2019, approx. €400 million was invested in new construction projects or renovated buildings, which corresponds to approx. 19% of the total volume of healthcare real estate investments.

3.3. The Netherlands²¹

The Netherlands currently has a population of approx. 17.4 million inhabitants. The Central Bureau of Statistics predicts a slight growth in the population, to reach 18.3 million inhabitants by 2040. Population growth beyond 2040 remains uncertain. It is certain, however, that the number of elderly will increase sharply over this period, from 3.3 million persons over 65 years of age to 4.8 million in 2040 (i.e. 26% of the population), and from 0.8 million persons over 80 years of age to 1.6 million persons in 2040 (i.e. 9% of the population). About 20% of this group requires care, and over 5% need continuous assistance (as provided in traditional care facilities). This latter group often includes individuals suffering from dementia. According to 'Alzheimer Nederland', this number will double by 2040. Consequently, senior care constitutes a significant growth area in The Netherlands.

An increasing portion of these people do not opt for traditional care facilities, but prefer to obtain in-home care or care in private residential care facilities (such as the care residences offered by Domus Magnus, Martha Flora, Het Gouden Hart, Compartijn and Stepping Stones). This is due to a number of factors:

- the increasing number of elderly persons with some wealth and higher than average education levels;
- the policy of separating financing for housing and care, which offers more freedom of choice;
- the high personal contribution required for occupancy in traditional care facilities;
- the higher expectations of the current generation of seniors and their children;
- the limited offerings available in traditional care facilities.

²¹ Written in Dutch on 16 January 2020 by DTZ Zadelhoff VOF, and reproduced with permission.



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Dutch private care providers have anticipated these trends: there are already approx. 300 private residential care facilities in the country and it is foreseen that dozens more will open their doors by 2025. According to these trends, it appears that an increasing group of seniors seek – and are able to pay for – higher quality services.

On average, a private residential care facility in The Netherlands contains approx. 24 units. The limited number of units is what strengthens and distinguishes them from traditional care facilities and assisted-living apartment facilities, which house between 60 and 200 residents. More than half of the country's private residential care facilities are independently operated. It is expected that an increasing number of operators will manage multiple sites.

3.4. United Kingdom²²

The United Kingdom is one of the largest markets in Europe with attractive fundamentals supporting healthcare real estate. The elderly population in the UK is expected to grow significantly. In particular, the number of people over 80 years old is expected to more than double by 2050. An increasingly ageing population requiring greater care and nursing needs is expected to continue to drive significant demand for healthcare real estate in the foreseeable future and support a positive outlook for occupancy levels. The UK care home market is still very fragmented and features approx. 5,500 operators, of which a very high portion are independent private players running operations in small and outdated assets. The top five largest care home operators account for 15% of the total bed capacity, while the top 10 represents 20.8%, highlighting the fragmentation of the sector outside of the top tier providers.

Care home operators in the UK are regulated and must be approved by the regulator before and during operations. Care homes in the UK are frequently inspected by the sector regulator, with reports made publicly available.

The funding of the senior housing market in the UK is based on a mixture of public financing (Local Authorities and National Health Services) and private financing (self-payers). The self-pay market has experienced the fastest growth of all funding sources and represents 45% of the overall market. Local Authorities provide social care after an assessment of a person's eligibility for care and their financial position. The portion of residents funded by Local Authorities in care homes represents on average 46%. The National Health Services fund residents who have been assessed as having a primary health need, representing 9% of the market.

Yield spread remains broad with prime assets falling below 4% whilst mid-market and beyond stock sees 7% and above. Despite the fragmented makeup of the market and prevalence of owner operators, by volume the most acquisitive buyer type remains REITS and quoted property companies.

²² Written in English on 21 February 2020 by Tom Robinson BA MSc, and reproduced with permission.



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4. Valuation experts' report²³

Gentlemen,

We are pleased to send you our estimate of the fair value of investment properties held by the Aedifica group as of 31 December 2019.

Aedifica assigned to each of the seven valuation experts the task of determining the fair value (from which the investment value is derived²⁴) of one part of its portfolio of investment properties. Assessments are established taking into account the remarks and definitions contained in the reports and following the guidelines of the International Valuation Standards issued by the 'IVSC'.

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

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

Based on the seven assessments, the consolidated fair value of the portfolio amounted to €2,635,736,655²⁵ as of 31 December 2019, including €2,566,917,703 for marketable investment properties²⁶. Contractual rents amounted to €151,031,628 which corresponds to an initial rental yield of 5.88% compared to the fair value of marketable investment properties.

The abovementioned amounts include the fair values and contractual rents of the UK based assets in pound sterling and converted into euro taking the exchange rate as per 31/12/2019 (1.1754 £/€; rate of the last business day of the quarter) into account.

²³ The expert report was reproduced with the agreement of Cushman & Wakefield Belgium NV/SA, Deloitte Consulting & Advisory CVBA/SCRL, CBRE GmbH, Jones Lang LaSalle SE, DTZ Zadelhoff VOF, Savills Consultancy BV and Cushman & Wakefield Debenham Tie Leung Limited. The sum of all elements of the portfolio individually assessed by the abovementioned valuation experts constitutes Aedifica's whole consolidated portfolio.

²⁴ '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').

²⁵ 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').

²⁶ '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.



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As of 31 December 2019:

- the consolidated fair value of the assets located in Belgium amounted to €1,056,936,866; including 1,050,400,914 for marketable investment properties. Contractual rents amounted to €57,200,346 which corresponds to an initial yield of 5.45% to the fair value of the marketable investment properties;
- the consolidated fair value of the assets located in Germany amounted to €578,840,000; including €543,492,000 for marketable investment properties. Contractual rents amounted to €31,404,329 which corresponds to an initial yield of 5.78% to the fair value of the marketable investment properties;
- the consolidated fair value of the assets located in The Netherlands amounted to €428,820,000; including €401,885,000 for marketable investment properties. Contractual rents amounted to €22,930,082 which corresponds to an initial yield of 5.71% to the fair value of the marketable investment properties;
- the consolidated fair value of the assets located in The United Kingdom amounted to £485,911,000 (100% marketable investment properties). Contractual rents amounted to £33,602,919 which corresponds to an initial yield of 6.92% 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.

Cushman & Wakefield Belgium SA opinion²⁷:

As of 31 December 2019, the fair value of the part of Aedifica's portfolio valued by Cushman & Wakefield Belgium SA is estimated at €536,791,500 and the investment value (before deduction of the transfer costs²⁸) is estimated at €550,596,000.

Christophe Ackermans (SPRL)
22 January 2020

Deloitte Consulting & Advisory SCRL opinion²⁷:

As of 31 December 2019, the fair value of the part of Aedifica's portfolio valued by Deloitte Consulting & Advisory SCRL is estimated at €520,145,366 and the investment value (before deduction of the transfer costs²⁸) is estimated at €533,149,000.

Frédéric Sohet and Patricia Lannoije
22 January 2020

²⁷ 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.

²⁸ 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. In this specific case, for residential units, the fair value reflects the potential capital gain per apartment, if sold.



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CBRE GmbH opinion²⁷:

As of 31 December 2019, the fair value of the part of Aedifica's portfolio valued by CBRE GmbH is estimated at €494,480,000 and the investment value (before deduction of the transfer costs²⁹) is estimated at €529,052,836.

Sandro Höselbarth and Tim Schulte
22 January 2020

Jones Lang LaSalle SE opinion²⁷:

As of 31 December 2019, the fair value of the part of Aedifica's portfolio valued by Jones Lang LaSalle SE is estimated as of 31 December 2019 at €84,360,000 and the investment value (before deduction of the transfer costs²⁹) is estimated at €91,186,000.

Peter Tölzel
22 January 2020

DTZ Zadelhoff VOF opinion²⁷:

As of 31 December 2019, the fair value of the part of Aedifica's portfolio valued by DTZ Zadelhoff VOF is estimated at €368,140,000 and the investment value (before deduction of the transfer costs³⁰) is estimated at €384,240,000.

Paul Smolenaers and Fabian Pouwelse
22 January 2020

Savills Consultancy BV opinion²⁷:

As of 31 December 2019, the fair value of the part of Aedifica's portfolio valued by Savills Consultancy BV is estimated at €60,680,000 and the investment value (before deduction of the transfer costs³⁰) is estimated at €63,080,000.

Martijn Onderstal and Jorn Damhuis
22 January 2020

Cushman & Wakefield Debenham Tie Leung Ltd opinion²⁷:

As of 31 December 2019, the fair value of the part of Aedifica's portfolio valued by Cushman & Wakefield Debenham Tie Leung Limited is estimated at £485,911,000 (equivalent to €571,139,789 based on the exchange rate of 1.1754 £/€ as per 31/12/2019; rate of the last business day of the quarter) and the investment value (before deduction of the transfer costs³¹) is estimated at £518,003,475 (equivalent to €608,861,285 based on the exchange rate of 1.1754 £/€ as per 31/12/2019; rate of the last business day of the quarter).

Tom Robinson en Martin Robb
22 January 2020

²⁹ Assets located in Germany are not concerned by the comments in footnote 28 above. In the assessment of their investment value, the usual German transfer costs and professional fees are taken into account.

³⁰ Assets located in the Netherlands are not concerned by the comments in footnote 28 above. In the assessment of their investment value, the usual Dutch transfer costs and professional fees are taken into account.

³¹ Assets located in the United Kingdom are not concerned by the comments in footnote 28 above. In the assessment of their investment value, the usual UK transfer costs are taken into account. The investment value corresponds to the gross value before deduction of SDLT (Stamp Duty Land Tax) and professional fees.



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V. Condensed consolidated financial statements

1. Consolidated income statement

(x €1,000)	Notes	31/12/2019	31/12/2018
I. Rental income		71,970	50,798
II. Writeback of lease payments sold and discounted		0	0
III. Rental-related charges		-591	8
Net rental income		71,378	50,806
IV. Recovery of property charges		0	50
V. Recovery of rental charges and taxes normally paid by tenants on let properties		311	747
VI. Costs payable by the tenant and borne by the landlord on rental damage and repair at end of lease		0	0
VII. Rental charges and taxes normally paid by tenants on let properties		-311	-747
VIII. Other rental-related income and charges		63	-598
Property result		71,441	50,258
IX. Technical costs		-136	-722
X. Commercial costs		-29	-218
XI. Charges and taxes on unlet properties		0	-81
XII. Property management costs		-1,850	-846
XIII. Other property charges		-351	-197
Property charges		-2,366	-2,064
Property operating result		69,075	48,194
XIV. Overheads		-9,000	-6,083
XV. Other operating income and charges		-7	24
Operating result before result on portfolio		60,068	42,135
XVI. Gains and losses on disposals of investment properties		1,268	-70
XVII. Gains and losses on disposals of other non-financial assets		0	0
XVIII. Changes in fair value of investment properties		19,980	13,095
XIX. Other result on portfolio		0	-132
Operating result		81,315	55,028
XX. Financial income		-10	391
XXI. Net interest charges		-8,553	-7,542
XXII. Other financial charges		-1,869	-1,483
XXIII. Changes in fair value of financial assets and liabilities	7	3,418	-187
Net finance costs		-7,014	-8,821
XXIV. Share in the profit or loss of associates and joint ventures accounted for using the equity method		2,597	0
Profit before tax (loss)		76,898	46,207
XXV. Corporate tax		-7,545	-2,683
XXVI. Exit tax		-52	-541
Tax expense		-7,597	-3,224
Profit (loss)		69,301	42,983
Attributable to:			
Non-controlling interests		127	4,215
Owners of the parent		69,174	38,768
Basic earnings per share (€)	8	2.81	2.12
Diluted earnings per share (€)	8	2.81	2.12



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2. Consolidated statement of comprehensive income

(x €1,000)	31/12/2019	31/12/2018
I. Profit (loss)	69,301	42,983
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	2,390	-1,810
D. Currency translation differences linked to conversion of foreign activities	19,700	0
H. Other comprehensive income, net of taxes	554	7,472
Comprehensive income	91,945	48,645
Attributable to:		
Non-controlling interests	127	4,215
Owners of the parent	91,818	44,430

3. Consolidated balance sheet

ASSETS	Notes	31/12/2019	30/06/2019
(x €1,000)			
I. Non-current assets			
A. Goodwill		0	0
B. Intangible assets		474	407
C. Investment properties	4	2,627,468	2,315,709
D. Other tangible assets		3,305	1,326
E. Non-current financial assets		25,068	307
F. Finance lease receivables		0	0
G. Trade receivables and other non-current assets		0	0
H. Deferred tax assets		115	0
I. Equity-accounted investments		35,853	33,931
Total non-current assets		2,692,283	2,351,680
II. Current assets			
A. Assets classified as held for sale	4	8,268	5,240
B. Current financial assets		0	0
C. Finance lease receivables		0	0
D. Trade receivables		9,206	11,216
E. Tax receivables and other current assets		2,202	1,257
F. Cash and cash equivalents	6	14,980	15,405
G. Deferred charges and accrued income		1,916	1,329
Total current assets		36,572	34,447
TOTAL ASSETS		2,728,856	2,386,127



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EQUITY AND LIABILITIES	Notes	31/12/2019	30/06/2019
(x €1,000)			
EQUITY			
I. Issued capital and reserves attributable to owners of the parent			
A. Capital	5	624,713	624,713
B. Share premium account		565,068	565,068
C. Reserves		208,187	116,271
a. Legal reserve		0	0
b. Reserve for the balance of changes in fair value of investment properties		286,852	171,274
c. Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties		-85,918	-40,977
d. Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS		-22,020	-24,960
e. Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting as defined under IFRS		-25,901	-18,991
f. Reserve of exchange differences relating to foreign currency monetary items		8,225	-4,573
g. Foreign currency translation reserves		2,809	-4,093
h. Reserve for treasury shares		0	0
k. Reserve for deferred taxes on investment properties located abroad		-9,463	-3,824
m. Other reserves		4,350	796
n. Result brought forward from previous years		49,253	41,619
D. Profit (loss) of the year		69,174	123,497
Equity attributable to owners of the parent		1,467,142	1,429,549
II. Non-controlling interests		4,450	103
TOTAL EQUITY		1,471,592	1,429,652
LIABILITIES			
I. Non-current liabilities			
A. Provisions		0	0
B. Non-current financial debts	6	756,250	584,193
a. Borrowings		741,281	569,226
c. Other		14,969	14,967
C. Other non-current financial liabilities		49,185	52,774
a. Authorised hedges	7	42,705	48,170
b. Other		6,480	4,604
D. Trade debts and other non-current debts		0	0
E. Other non-current liabilities		0	0
F. Deferred tax liabilities		15,696	11,848
Non-current liabilities		821,131	648,815
II. Current liabilities			
A. Provisions		0	0
B. Current financial debts	8	406,640	272,317
a. Borrowings		181,640	172,317
c. Other		225,000	100,000
C. Other current financial liabilities	9	496	0
D. Trade debts and other current debts		24,941	27,044
a. Exit tax		1,125	3,106
b. Other		23,816	23,938
E. Other current liabilities		0	0
F. Accrued charges and deferred income		4,055	8,299
Total current liabilities		436,132	307,660
TOTAL LIABILITIES		1,257,263	956,475
TOTAL EQUITY AND LIABILITIES		2,728,856	2,386,127



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4. Consolidated cash flow statement

(x €1,000)	31/12/2019	31/12/2018
CASH FLOW FROM OPERATING ACTIVITIES		
Profit (loss)	69,174	38,768
Non-controlling interests	127	4,215
Tax expense	7,597	2,683
Amortisation and depreciation	626	156
Write-downs	590	-9
Change in fair value of investment properties (+/-)	-19,980	-13,095
Gains and losses on disposals of investment properties	-1,268	70
Net finance costs	8,222	9,375
Changes in fair of the derivatives [°]	-3,773	0
Goodwill impairment	0	0
Change in fair value of investments in entities consolidated through equity method	-1,922	0
Changes in trade receivables (+/-)	1,420	-3,065
Changes in tax receivables and other current assets (+/-)	-9,469	-151
Changes in deferred charges and accrued income (+/-)	-571	-62
Changes in trade payables and other current debts (excl. exit tax) (+/-)	-264	-4,227
Changes in accrued charges and deferred income (+/-)	-4,244	425
Cash generated from operations	46,265	35,083
Taxes paid	-5,703	-4,953
Net cash from operating activities	40,562	30,130
CASH FLOW RESULTING FROM INVESTING ACTIVITIES		
Purchase of intangible assets	-67	-34
Purchase of real estate companies and marketable investment properties	-218,018	-164,316
Purchase of tangible assets	-461	235
Net variation of tangible assets in leasing (IFRS 16) ^{°°}	-2,144	0
Purchase of development projects	-1,583	-44,561
Disposals of investment properties	6,388	64,986
Net changes in non-current receivables	-23,753	-3
Net investments in other assets	-47,733	0
Net cash from investing activities	-287,371	-143,693
CASH FLOW FROM FINANCING ACTIVITIES		
Capital increase, net of costs ^{°°°}	0	0
Disposals of treasury shares	0	0
Dividend for previous fiscal year	-54,388	-28,206
Net changes in borrowings	298,156	90,427
Net variation of leasing debts (IFRS 16) ^{°°}	2,194	0
Net changes in other non-current financial liabilities	191	99,696
Net financial items received (+) / paid (-)	231	-8,788
Repayment of financial debts of acquired or merged companies ^{°°°°}	0	-13,030
Repayment of working capital of acquired or merged companies ^{°°°°}	0	-29,941
Net cash from financing activities	246,384	110,158
TOTAL CASH FLOW FOR THE PERIOD		
Total cash flow for the period	-425	-3,405
RECONCILIATION WITH BALANCE SHEET		
Cash and cash equivalents at beginning of period	15,405	10,589
Total cash flow for the period	-425	-3,405
Cash and cash equivalents at end of period	14,980	7,184

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

^{°°} The first time application of IFRS 16 generates a parallel increase of the tangible assets in leasing and of the leasing debts which do not constitute real cash flows.

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

^{°°°°} On 31 December 2019, repayments of financial debts and of working capital of acquired or merged companies are included in the cash flow resulting from investing activities under the line 'Purchase of real estate companies and marketable investment properties'.



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5. Consolidated statement of changes in equity

(x €1,000)	1/07/2018	Capital increase in cash	Capital increase in kind	Acquisitions / disposals of treasury shares	Consolidated comprehensive income	Appropriation of the result	Other transfers and roundings	31/12/2018
Capital	465,126	0	6,262	0	0	0	0	471,388
Share premium account	297,569	0	11,034	0	0	0	1	308,604
Reserves	107,097	0	0	0	5,663	26,354	3	139,117
<i>a. Legal reserve</i>	0	0	0	0	0	0	0	0
<i>b. Reserve for the balance of changes in fair value of investment properties</i>	153,582	0	0	0	0	22,256	0	175,838
<i>c. Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties</i>	-37,953	0	0	0	0	-6,792	-1	-44,746
<i>d. Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS</i>	-16,436	0	0	0	-1,256	-11	0	-17,703
<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>	-17,659	0	0	0	0	-1,332	0	-18,991
<i>h. Reserve for treasury shares</i>	0	0	0	0	0	0	0	0
<i>k. Reserve for deferred taxes on investment properties located abroad</i>	-1,311	0	0	0	0	-2,513	0	-3,824
<i>m. Other reserves</i>	-1,957	0	0	0	6,919	1,957	-1	6,918
<i>n. Result brought forward from previous years</i>	28,831	0	0	0	0	12,789	-1	41,619
Profit (loss)	71,855	0	0	0	38,768	-71,855	0	38,768
Equity attributable to owners of the parent	941,647	0	17,296	0	44,431	-45,501	-2	957,871
Non-controlling interests	0	0	0	0	4,215	0	58,509	62,724
TOTAL EQUITY	941,647	0	17,296	0	48,646	-45,501	58,507	1,020,595



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(x €1,000)	1/07/2019	Capital increase in cash	Capital increase in kind	Acquisitions / disposals of treasury shares	Consolidated comprehensive income	Appropriation of the result	Other transfers and roundings	31/12/2019
Capital	624,713	0	0	0	0	0	0	624,713
Share premium account	565,068	0	0	0	0	0	0	565,068
Reserves	116,271	0	0	0	22,644	69,272	0	208,187
a. Legal reserve	0	0	0	0	0	0	0	0
b. Reserve for the balance of changes in fair value of investment properties	171,274	0	0	0	0	115,578	0	286,852
c. Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties	-40,977	0	0	0	0	-44,941	0	-85,918
d. Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS	-24,960	0	0	0	2,944	-4	0	-22,020
e. Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting as defined under IFRS	-18,991	0	0	0	0	-6,910	0	-25,901
f. Reserve of exchange differences relating to foreign currency monetary items	-4,573	0	0	0	12,798	0	0	8,225
g. Foreign currency translation reserves	-4,093	0	0	0	6,902	0	0	2,809
h. Reserve for treasury shares	0	0	0	0	0	0	0	0
k. Reserve for deferred taxes on investment properties located abroad	-3,824	0	0	0	0	-5,639	0	-9,463
m. Other reserves	796	0	0	0	0	3,554	0	4,350
n. Result brought forward from previous years	41,619	0	0	0	0	7,634	0	49,253
Profit (loss)	123,497	0	0	0	69,174	-123,497	0	69,174
Equity attributable to owners of the parent	1,429,549	0	0	0	91,818	-54,225	0	1,467,142
Non-controlling interests	103	0	0	0	127	0	4,220	4,450
TOTAL EQUITY	1,429,652	0	0	0	91,945	-54,225	4,220	1,471,592



6. Notes

Note 1: General information

Aedifica NV/SA (referred to in the Condensed Consolidated Financial Statements as ‘the Company’ or ‘the Parent’) is a limited liability company that has opted for a Public Regulated Real Estate Company (RREC) status under Belgian law. The address of its registered office is:

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

The Aedifica Group (referred to in the Condensed Consolidated Financial Statements as ‘the Group’) is composed of the parent-company and its subsidiaries.

Aedifica has been quoted on Euronext Brussels (since 2006) and Euronext Amsterdam (since 2019).

The Condensed Consolidated Financial Statements as of 31 December 2019 were approved by the Board of Directors on 18 February 2020.

Note 2: Accounting policies

The Condensed Consolidated Financial Statements cover the period from 1 July to 31 December 2019. They have been prepared in accordance with the International Financial Reporting Standards (‘IFRS’) and, in particular, the IAS 34 standard on Interim Financial Reporting. These standards comprise the associated standards and interpretations as published by the International Accounting Standards Board (‘IASB’) and the International Financial Reporting Interpretations Committee (‘IFRIC’), to the extent to which they are applicable to the Group’s activities and are effective for the financial years starting on or after 30 June 2019. The Condensed Consolidated Financial Statements have also been prepared in accordance with the Royal Decree of 13 July 2014 on Regulated Real Estate Companies.

Condensed Consolidated Financial Statements are drawn up in euros and presented in thousands of euros.

The specific principles for financial reporting are summarised in Note 2.2 of the 2018/2019 Consolidated Financial Statements. These methods were applied consistently to all previous financial years.

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

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



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- new standard for IFRS 16 'Leases':
IFRS 16 provides a comprehensive model for lessors and lessees alike to identify lease agreements and their accounting processing in the annual accounts. When it entered into force, this standard replaced IAS 17 'Leases' and the accompanying interpretations. IFRS 16 introduces important changes regarding the accounting processing of lease agreements for the lessee, whereby the distinction between operational and financial leases ceases to exist and assets and liabilities are recognised for all lease agreements (save exceptions for short-term leases or assets having a low value). In contrast to the lessee's processing of the lease agreements, IFRS 16 retains almost all the provisions of IAS 17 'Leases' relating to the lessor's processing of the lease agreements. This means that lessors must continue to classify the lease agreements as operational or financial lease agreements.
Since Aedifica acts almost exclusively as a lessor, IFRS 16 will have no material impact on the consolidated financial statements. A user right and accompanying obligation must be recognised in the statutory and consolidated annual accounts in the limited cases where Aedifica is the lessee in lease agreements classified as operational leases under IAS 17 and these contracts do not fall under the exceptions as laid down in IFRS 16 (e.g. car rental, real estate used by the Group, etc.). The total amount capitalised as a result of the application of IFRS 16 corresponds to the net fair value of the company cars and the building used by the Group as an office. The impact on the consolidated balance sheet as of 31 December 2019 is €2.1 million. This value is depreciated on a straight-line basis over the term of the contracts. A debt corresponding to the net current value is entered in the accounts for this. This debt is amortised using the 'effective interest method'.

Certain new standards, amendments and interpretations of existing standards have been published and will be compulsory for financial years starting on or after 1 July 2020. These amendments, which the Group did not apply early, are as follows (situation as at 23 January 2020):

- new standard for IFRS 14 'Regulatory Deferral Accounts' (for which no application date can be determined because the EU has decided not to start the approval process of this provisional standard, pending the publication of a final standard);
- new standard for IFRS 17 'Insurance Contracts' (applicable from 1 July 2021, subject to EU approval);
- 'Amendments to References to the Conceptual Framework in IFRS Standards' published in March 2019 (applicable from 1 July 2020);
- amendment to IFRS 3 'Business Combinations' (applicable from 1 July 2020, subject to EU approval);
- amendments to IFRS 9 and 7 and IAS 39 'Interest Rate Benchmark Reform' (applicable from 1 July 2020);
- amendments to IAS 1 and IAS 8, 'Definition of Material', (applicable from 1 July 2020).



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Note 3: operating 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 geographic markets in which Aedifica operates and is consistent with the Group's organisation.

31 december 2019

(x €1,000)	Belgium	Germany	Netherlands	United Kingdom	Non-allocated	Inter-segment items ^o	TOTAL
SEGMENT RESULT							
Rental income (a)	28,454	13,549	10,910	19,056	0	0	71,970
Net rental income (b)	28,417	13,545	10,910	18,506	0	0	71,378
Property result (c)	28,419	13,537	10,979	18,506	0	0	71,441
Property operating result (d)	28,433	12,911	10,546	17,185	0	0	69,075
OPERATING RESULT BEFORE RESULT ON PORTFOLIO (e)	28,433	12,912	10,545	17,185	-9,007	0	60,068
Operating margin* (d)/(b)							97%
EBIT margin* (e)/(b)							84%
Operating charges* (e)-(b)							11,310
SEGMENT ASSETS							
Marketable investment properties	1,042,133	547,992	397,385	571,140	-	-	2,558,650
Development projects	6,536	35,348	26,935	-	0	-	68,819
INVESTMENT PROPERTIES						0	2,627,469
Assets classified as held for sale	8,268	0	0	0	-	-	8,268
Other assets	-	-	-	-	93,119	-	93,119
TOTAL ASSETS							2,728,856

31 december 2019

(x €1,000)	Healthcare real estate	Apartment buildings	Hotels	Non-allocated	Inter-segment items ^o	TOTAL
SEGMENT RESULT						
Rental income (a)	71,970	0	0	0	0	71,970
Net rental income (b)	71,378	0	0	0	0	71,378
Property result (c)	71,441	0	0	0	0	71,441
Property operating result (d)	69,075	0	0	0	0	69,075
OPERATING RESULT BEFORE RESULT ON PORTFOLIO (e)	69,075	0	0	-9,007	0	60,068
Operating margin* (d)/(b)						97%
EBIT margin* (e)/(b)						84%
Operating charges* (e)-(b)						11,310
SEGMENT ASSETS						
Marketable investment properties	2,558,650	0	0	0	0	2,558,650
Development projects	68,819	0	0	0	0	68,819
INVESTMENT PROPERTIES						2,627,469
Assets classified as held for sale	8,268	0	0	0	0	8,268
Other assets	0	0	0	93,119	0	93,119
TOTAL ASSETS						2,728,856



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31/12/2018

(x €1,000)	Healthcare real estate	Apartment buildings	Hotels	Non-allocated	Inter-segment items ^o	TOTAL
SEGMENT RESULT						
Rental income (a)	43,519	5,182	2,105	0	-8	50,798
Net rental income (b)	43,514	5,195	2,105	0	-8	50,806
Property result (c)	43,379	4,786	2,101	0	-8	50,258
Property operating result (d)	42,352	3,755	2,095	0	-8	48,194
OPERATING RESULT BEFORE RESULT ON PORTFOLIO (e)	42,261	3,766	2,094	-5,986	0	42,135
Operating margin* (d)/(b)						95%
EBIT margin* (e)/(b)						83%
Operating charges* (e)-(b)						8,671
SEGMENT ASSETS						
Marketable investment properties	1,619,427	215,439	66,710	-	-	1,901,576
Development projects	57,333	-	-	-	-	57,333
INVESTMENT PROPERTIES						1,958,909
Assets classified as held for sale	5,220	0	0	-	-	5,220
Other assets	-	-	-	63,396	-	63,396
TOTAL ASSETS						2,027,525

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

Note 4: Investment properties

(x €1,000)	Marketable investment properties	Development projects	TOTAL
CARRYING AMOUNT AS OF 1/07/2018	1,701,280	35,183	1,736,463
Acquisitions	698,727	13,424	712,151
Disposals	-291,407	0	-291,407
Capitalised interest charges	0	1,083	1,083
Capitalised employee benefits	0	92	92
Other capitalised expenses	6,413	101,191	107,604
Transfers due to completion	86,441	-86,441	0
Changes in fair value	76,382	-13,065	63,317
Other expenses booked in the income statement	0	0	0
Transfers to equity	-12,162	-262	-12,424
Assets classified as held for sale	-1,170	0	-1,170
CARRYING AMOUNT AS OF 30/06/2019	2,264,504	51,205	2,315,709
CARRYING AMOUNT AS OF 1/07/2019	2,264,504	51,205	2,315,709
Acquisitions	222,283	1,524	223,807
Disposals	-5,120	0	-5,120
Capitalised interest charges	0	502	502
Capitalised employee benefits	0	30	30
Other capitalised expenses	8,367	39,013	47,381
Transfers due to completion	16,322	-16,322	0
Changes in fair value	27,114	-7,134	19,980
Other expenses booked in the income statement	0	0	0
Transfers to equity	28,208	0	28,208
Assets classified as held for sale	-3,028	0	-3,028
CARRYING AMOUNT AS OF 31/12/2019	2,558,650	68,818	2,627,469

In addition to the marketable investment properties recognised on the balance sheet under the line 'I.C. Investment properties' among non-current assets, the balance sheet also includes real estate under line 'II.A. Assets classified as held for sale' among current assets, amounting to €8,268 k. This line concerns real estate in Belgium that will be sold (Prinsenhof in Koersel).



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The main acquisitions of investment property during the first half of the current financial year are listed below:

ACQUISITIONS	Country	Properties valuation [°] (in million €)	Register of corporations	Acquisition date ^{°°}	Acquisition method
Rumah Saya	Netherlands	11	-	9/07/2019	Acquisition of a building
Residentie La Tour	Netherlands	3	-	9/07/2019	Acquisition of a land and project via Aedifica Nederland 2 BV
Villa Casimir	Netherlands	1	-	9/07/2019	Acquisition of a land and project via Aedifica Nederland 2 BV
Haus Steinbachhof	Germany	16	-	9/07/2019	Acquisition of a building
Seniorenhaus Wiederitzsch	Germany	6	-	9/07/2019	Acquisition of a building
Seniorenwohnpark Hartha	Germany	12	-	9/07/2019	Acquisition of a building
Zur alten Linde	Germany	7	-	9/07/2019	Acquisition of a building
Vinea Domini	Netherlands	1	-	7/08/2019	Acquisition of a land and project via Aedifica Nederland 2 BV
Wolfsbos	Netherlands	13	-	28/08/2019	Acquisition of a building
De Vecht	Netherlands	11	-	28/08/2019	Acquisition of a building
De Kaap	Netherlands	9	-	28/08/2019	Acquisition of a building
Krakeel	Netherlands	8	-	28/08/2019	Acquisition of a building
WZC Beatrix	Netherlands	4	-	28/08/2019	Acquisition of a building
Seniorenzentrum Weimar	Germany	17	-	1/10/2019	Acquisition of a building
Haus Wellengrund	Germany	3	-	1/11/2019	Acquisition of a building
Natatorium	Netherlands	2	-	28/11/2019	Acquisition of a building
Villa Nuova	Netherlands	2	-	29/11/2019	Acquisition of a building
Aedifica Residenzen West GmbH	Germany	18	HRB206932	17/12/2019	Acquisition of shares
Aedifica Residenzen 3 GmbH	Germany	5	HRB32638	17/12/2019	Acquisition of shares
German Healthcare Real Estate I Beta SàRL (AL VII)	Germany	37	B1117448	17/12/2019	Acquisition of shares
German Healthcare Real Estate II Gamma SàRL (AL VIII)	Germany	22	B1117437	17/12/2019	Acquisition of shares
Hazel End Care Home	United Kingdom	15	-	17/12/2019	Acquisition of a building
TOTAL		222			

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

^{°°} and consolidation date in the financial statements.

The main disposals during the first half of the current financial year are listed below:

DISPOSALS	Country	Selling price (in million €)	Disposals date
De Statenhof Hoogbouw, located Bachstraat 590 in Leiden	Netherlands	6.5	13/12/2019
TOTAL		6.5	



Note 5: Capital

During the course of the half year, Aedifica's capital has increased as follows:

	Number of shares	Capital (x €1,000)
Situation at the beginning of the previous year	18,200,829	480,280
Capital increase of 20 November 2018	240,597	6,349
Capital increase of 7 May 2019	6,147,142	162,209
Capital increase of 20 June 2019	12,590	332
Situation at the end of the previous year	24,601,158	649,170
Capital increase	0	0
Situation at the end of the year	24,601,158	649,170

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.

Aedifica shareholders holding more than 5% of the Company's capital are listed in the table below (as of 31 December 2019, based on the number of shares held by the shareholders concerned as of 5 July 2019)³². According to the definition of Euronext, Aedifica's free float amounts to 100%.

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

The capital increases that occurred prior to 30 June 2019 are disclosed in the 'Standing Documents' section of the 2018/2019 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 Aedifica shares are listed on the Euronext Brussels (regulated market).

Aedifica SA holds no treasury shares.

The board of directors is authorised to increase the share capital in one or more instalments by a maximum amount of:

- 1) 50% of the amount of the capital on the date of the extraordinary shareholders' meeting of 22 October 2019, 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) 75% of the amount of the capital on the date of the extraordinary shareholders' meeting of 22 October 2019, 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 shareholders' meeting of 22 October 2019, 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;

³² Declarations of transparency (including control strings) are available on Aedifica's website. The Company has not received any additional declarations of transparency since 5 July 2019.



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provided that the capital within the context of the authorized capital can never be increased by an amount that exceeds the legal maximum amount of the capital of € 649,170,038.59, on the dates and in accordance with the terms and conditions as will be determined by the board of directors.

This authorisation is granted for a renewable period of five years, calculated from the publication of the minutes of the extraordinary shareholders' meeting 22 October 2019, 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 Aedifica's statutory IFRS financial statements (drawn up in accordance with the regulations applicable to the regulated real estate companies) which are subject to conversion into capital, with or without the creation of new securities. These capital increases can also be realized through the issue of convertible bonds, subscription rights or bonds repayable in shares or other securities which may give rise to the creation of the same securities.

On 31 December 2019, the balance of the authorised capital amounts to:

- 1) €324,585,019.29 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) €486,877,528.94 for capital increases in the framework of the distribution of an optional dividend;
- 3) €64,917,003.85 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 authorized capital can never be increased by an amount that exceeds the legal maximum amount of the capital of € 649,170,038.59, on the dates and in accordance with the terms and conditions as will be determined by the board of directors.



Note 6: Current and non-current financial debts

(x €1,000)	31/12/2019	30/06/2019
Non-current financial debts	756.250	584.193
Credit institutions	741.281	569.226
Other	14.969	14.967
Current financial debts	406.640	272.317
Credit institutions	181.640	172.317
Other	225.000	100.000
TOTAL	1.162.890	856.510

On 31 December 2019, Aedifica had committed credit facilities totalling €1,810 million issued by seventeen credit providers, including fourteen banks (ABN AMRO Bank, Bank für Sozialwirtschaft, Bank Degroof Petercam, Banque Européenne du Crédit Mutuel, Belfius Bank, BNP Paribas Niederlassung Deutschland, BNP Paribas Fortis, Caisse d'Épargne Hauts de France, Deutsche Kreditbank, Deutsche Postbank, ING Belgium, J.P. Morgan Securities, KBC Bank and Triodos Bank), an insurance company (Argenta Assuranties), a savings bank (Argenta Spaarbank) and a syndicated banking group (Groupe BPCE).

- Aedifica can use up to €1,245 million depending on its needs, so long as the debt-to-assets ratio does not exceed 60% and other covenants are met (in line with market practice). Each withdrawal is made in euros for a period of up to 12 months, at a fixed margin set with reference to the Euribor rate prevailing at the time of the withdrawal.
- In order to finance the acquisition of Hoivatilat and to refinance the bridge facility concluded for the acquisition of the healthcare real estate portfolio in the United Kingdom, a new bridge facility was concluded in October 2019 with a duration of 12 months (consisting of two tranches of €300 million and £150 million, respectively, based on the Euribor and the LIBOR). The tranche in British pound was used at the end of November 2019 and was included in current financial debts for an amount of €176 million.
- Aedifica also benefits from amortising facilities amounting to €53 million at fixed rates between 1.1% and 6.0%, and amounting to €36 million at variable rate.

The amount of the treasury notes programme, which started in June 2018, was increased from €150 million to €300 million at the end of June 2019. This amount comprises €225 million for treasury notes with a maturity of less than one year and €75 million for treasury notes with a maturity of more than one year.

- Under this programme, Aedifica completed a private placement of €15 million with a maturity of 10 years at a fixed interest rate of 2.176% in late December 2018. This amount is presented on line 'Other' of the 'Non-current financial debts'.
- As of 31 December 2019, the short-term portion of the treasury notes programme (listed under the heading 'Other' of 'Current financial debts') will be used in full for an amount of €225 million. That amount is fully hedged by the available funds on confirmed long-term credit lines.



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As of 31 December 2019, the Group did not mortgage or pledge any Belgian, Dutch or British building to its creditors. In Germany, however, it is common practice for real estate to be mortgaged as part of bank financing. In this context, 11 of the 67 German buildings were mortgaged. They comply with the requirements of Article 43 of the law of 12 May 2014 on regulated real estate companies.

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

Taking these elements into account, the maturity dates of the financial debts with Aedifica's seventeen credit providers as of 31 December 2019 are as follows:

Financial debt (in € million) ¹	Lines	Utilisation	of which treasury notes
2019/2020	206	206	206
2020/2021	554	254	20
2021/2022	171	76	
2022/2023	205	75	
2023/2024	225	155	
2024/2025	400	224	
>2025/2026	290	175	15
Total as of 31 December 2019	2,050	1,165	240
Weighted average maturity (in years) ²	4.5	4.6	

¹ Amounts in £ were converted into € based on the exchange rate of 31 December 2019.

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

Without regard to short-term financing (short-term treasury notes and bridge facility), the weighted average maturity of the financial debts as of 31 December 2019 is 4.6 years.

Note 7: Hedging instruments

Almost all of Aedifica's financial debts are floating-rate borrowings. This allows Aedifica to benefit from low interest rates. 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.

Furthermore, the acquisition of the healthcare portfolio in the United Kingdom in February 2019 has exposed the Group to foreign exchange risk. On 31 December 2019, Aedifica partially hedged the net cash flows resulting from the financial income from intra-group loans and the financial charges of the bridge facility with British pound forward contracts.



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1. Framework

1.1 Management of interest rate risk

All hedges (interest rate swaps or 'IRS' and caps) are related to existing or highly probable risks. Aedifica applies hedge accounting to previously negotiated derivatives that meet the criteria to allow hedge accounting. In accordance with market practices, Aedifica has chosen not to apply hedge accounting to recently negotiated derivatives, even if they meet those strict criteria. Nevertheless, all derivatives provide economic hedging against interest rate risk, regardless of their accounting method. All hedges are provided in the framework of the hedging policy set out in Note 44 of the 2018/2019 Annual Financial Report. The fair value of instruments is calculated by the banks based on the present value of the estimated expected cash flows. This fair value is applied 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 of 31 December 2019	Notional amount (x €1,000)	Beginning	Periodicity (months)	Duration (years)	Hedge accounting (yes/no)	Interest rate (in %)	Fair value (x €1,000)
IRS	25,000	2/08/2019	3	8	Yes	0.33	-667
IRS	75,000	2/01/2020	3	2	Yes	0.33	-1,048
IRS	50,000	1/01/2021	3	3	Yes	0.80	-1,520
IRS	50,000	3/01/2022	3	2	Yes	0.73	-882
IRS	25,000	2/05/2019	3	6	Yes	1.10	-1,770
IRS	50,000	1/02/2022	3	2	No	0.34	-478
IRS	25,000	1/07/2019	3	6	No	1.69	-2,576
IRS ^{oo}	3,500	30/09/2019	3	12	Yes	1.55	-332
IRS	50,000	1/01/2021	3	2	Yes	0.64	-933
IRS ^o	9,475	1/04/2011	3	32	Yes	4.89	-5,891
IRS	25,000	2/05/2019	3	6	No	1.19	-1,931
IRS	15,000	1/07/2019	3	10	No	2.01	-2,780
IRS	8,000	1/07/2019	3	10	No	2.05	-1,513
IRS	12,000	1/07/2019	3	10	No	1.99	-2,205
IRS	50,000	1/02/2022	3	3	No	0.46	-837
IRS ^o	23,354	31/07/2014	3	29	No	4.39	-11,111
IRS	25,000	3/07/2019	3	10	Yes	1.04	-2,318
IRS	50,000	1/11/2019	3	5	Yes	0.78	-2,444
IRS	50,000	3/01/2022	3	1	Yes	0.65	-438
IRS	50,000	3/02/2025	3	4	No	0.15	504
IRS	50,000	1/11/2019	3	3	No	0.39	-1,022
CAP	50,000	1/05/2020	3	2	No	0.00	16
CAP	50,000	1/11/2017	3	2	No	0.00	0
CAP	50,000	1/07/2017	3	4	No	0.50	0
CAP	50,000	1/01/2019	3	2	No	0.35	0
CAP	50,000	1/11/2016	3	5	No	0.50	2
CAP	50,000	1/11/2019	3	2	No	0.50	2
CAP	50,000	1/11/2017	3	4	No	0.25	4
CAP	50,000	1/11/2017	3	2	No	0.00	0
CAP	100,000	1/04/2019	3	2	No	0.25	1
CAP	100,000	1/01/2019	3	2	No	0.00	1
CAP	100,000	1/01/2019	3	2	No	0.00	5
CAP	50,000	4/05/2020	3	1	No	0.00	2
CAP	100,000	4/01/2021	3	4	#N/A	0.25	508
TOTAL	1,571,329						-41,654

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

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



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

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

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

The total notional amount of €1,571 million presented in the table above is broken down as follows:

- operational and active instruments: €296 million;
- operational instruments which became out of the money (caps): €550 million;
- instruments with forward start: €725 million.

The total fair value of the interest rate hedging instruments presented in the table above (-€41,654 k) can be broken down as follows: €1,043 k on line I.E. of the asset side of the consolidated balance sheet and €42,697 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 (€2,508 k), the effect of the changes in fair value of interest rate hedging instruments on equity amounts to -€44,162 k.



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1.2. Derivatives for which hedge accounting is applied

(x €1,000)	31/12/2019	30/06/2019
Changes in fair of the derivatives		
Beginning of the year	-20,922	-11,290
Changes in the effective portion of the fair value of hedging instruments (accrued interests)	3,169	-11,611
Transfer to the income statement of interests paid on hedging instruments	-783	1,979
Transfer to the reserve account regarding revoked designation	0	0
AT YEAR-END	-18,536	-20,922

The amounts recorded in equity will be transferred to net finance costs in line with the payment of interest on the hedged financial debt, between 1 January 2020 and 31 July 2043.

As of 31 December 2019, the equity value includes the effective part (according to IAS 39) of the change in fair value (+€2,390 k) of the financial instruments corresponding to the derivatives for which hedge accounting may be applied, and the ineffective portion of the 2018/2019 financial year (loss of €4 k) that was appropriated by decision of the Annual General Meeting held in October 2019. These financial instruments are 'level 2' derivatives (according to IFRS 13p81). The ineffective part (as defined in IAS 39) is -€11 k as of 31 December 2019.

1.3. Derivatives for which hedge accounting is not applied

The financial result also includes a charge of €4,320 k (30 June 2019: a charge of €5,798 k), arising from the change in the fair value of derivatives for which hedge accounting is not applied (in line with IAS 39, as listed in the framework mentioned above) and the non-linear amortisation of the fair value of terminated derivatives as of their date of termination, which amounts to €554 k (30 June 2019: €1,107 k). 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 €685 k (30 June 2019: €1,375 k).

1.4. Sensitivity analysis

The fair value of the hedging instruments is determined by the interest rates on the financial markets. These changes partly explain the change in the fair value of the hedging instruments between 1 July 2019 and 31 December 2019. This led to an income of €3,756 k, recognised in the income statement, and to an income of €2,944 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 IAS 39), 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 €2,802 k (€2,832 k as of 30 June 2019). A negative change of 10 bps would have a negative impact in the same range. The impact of a change in the interest rate on the fair value of the instruments for which hedge accounting is not applied cannot be determined as precisely, since options can be embedded within these instruments. The fair value of these options will change in a non-symmetric and non-linear pattern, and is a function of other parameters (e.g. volatility of interest rates). The sensitivity of the 'mark-to-market' value of these instruments to an increase of 10 bps of the interest rate is estimated to have a positive



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impact of €2,034 k (€1,220 k on 30 June 2019) on the income statement. A decrease of 10 bps in the interest rate would have a negative impact on the income statement in the same range.

2. Management of foreign exchange risk

2.1. Framework

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 44 of the 2018/2019 Annual Financial Report. The fair value of these instruments is calculated by the banks on the basis of the present value of the estimated cash flows. These financial instruments are 'level 2' derivatives (according to IFRS 13p81). On 31 December 2019, Aedifica partially hedged the net cash flows resulting from the financial income from intra-group loans and the financial charges of the bridge facility with British pound forward contracts. The table below provides a breakdown of the hedging instruments.

TYPE	Contract date	Maturity	Purchase/ sale	Currency	Notional amount (x 1,000 €)	Purchase/ sale	Currency	Exchange value (x 1,000 €)	Exchange rate	Fair value (x 1,000 €)
Forward contract	09/12/2019	31/03/2020	Sale	GBP	1,000	Purchase	EUR	1,183	0.84532	14
Forward contract	09/12/2019	28/02/2020	Purchase	GBP	538	Sale	EUR	638	0.84403	-8
TOTAL										6

The positive fair value of the hedging instruments in the table above is stated on line I.E. of the assets side of the consolidated balance sheet, the negative fair value is stated on line I.E. of the liabilities side of the balance sheet. The effect of the changes in fair value of these hedging instruments on the Company's equity amounts to +€6 k.

2.2. Sensitivity analysis

The fair value of the hedging instruments is determined by the exchange rate fluctuations on the financial markets. The British pound did not change significantly between 19 December 2019 (when the contracts were concluded) and 31 December 2019.

All else being equal, a positive change of 1% of the exchange rates at the balance sheet date would have had a positive impact on the income statement in the amount of €5 k. A negative change of 1% of the exchange rates would have had a negative impact on the income statement in the same amount.



Note 8: Earnings per share

Earnings per share (« EPS » as defined by IAS 33) are calculated as follows:

	31/12/2019	31/12/2018
Profit (loss) (Owners of the parent) (x €1,000)	69,174	38,768
Weighted average number of shares outstanding during the period	24,601,110	18,255,720
Basic EPS (in €)	2.81	2.12
Diluted EPS (in €)	2.81	2.12

The EPRA Earnings* is a performance measure that is not defined by the IFRS standards (see Note 15). Aedifica uses this concept to comply with EPRA recommendations and to monitor operational and financial performance. In Aedifica's case, EPRA Earnings* equals the profit (owners of the parent) after removing exclusively changes in fair value of investment properties (and the movements of deferred taxes related to these), the hedging instruments and the result on the sale of investment properties. It is calculated as follows:

(x €1,000)	31/12/2019	31/12/2018
Profit (loss) (Owners of the parent)	69,174	38,768
- Changes in fair value of investment properties	-19,980	-13,095
- Gain and losses on disposal of investment properties	-1,268	70
- Deferred taxes in respect of EPRA adjustments	3,770	1,845
- Changes in fair value of financial assets and liabilities	-3,418	187
- Negative goodwill / goodwill impairment	0	132
- Share in the profit or loss of associates and joint ventures accounted for using the equity method in respect of EPRA corrections	-1,827	0
- Non-controlling interests in respect of the above	99	3,833
Roundings	0	-1
EPRA Earnings*	46,550	31,739
Weighted average number of shares outstanding during the period	24,601,110	18,255,720
EPRA Earnings* per share (in €)	1.89	1.74

The calculation in accordance with the model recommended by EPRA is included in Note 15.7.1 of the Condensed Consolidated Financial Statements.

Note 9: Net asset value per share

Net asset value per share (in €)	31/12/2019	30/06/2019
Net asset value after deduction of dividend 2018/2019, excl. changes in fair value of hedging instruments*	61.43	57.96
Effect of the changes in fair value of hedging instruments	-1.79	-2.05
Net asset value after deduction of dividend 2018/2019	59.64	55.90
Number of share outstanding (excl. treasury shares)	24,601,158	24,601,158

Recall that IFRS requires the presentation of the annual accounts before appropriation. The net asset value of €60.16 per share as of 30 June 2019 (as published in the 2018/2019 Annual Financial Report) thus included the dividend distributed in October 2019, and should now be adjusted by €2.20 per share in order to compare with the value as of 31 December 2019. This amount corresponds to the amount of the total dividend (€54 million) divided by the total number of shares outstanding as of 30 June 2019 (24,601,158).



Note 10: Contingencies and commitments

A statement of contingencies and commitments as of 30 June 2019 is provided in Note 45 of the Consolidated Financial Statements included in the 2018/2019 Annual Financial Report (see pages 157 - 160). There are no significant changes to be mentioned at the end of the first half of the current financial year, except for the items listed below.

10.1 Redevelopment of two healthcare properties in Roermond (Netherlands)

Aedifica Nederland BV has committed to finance the redevelopment of the healthcare sites Residentie La Tour and Villa Casimir in Roermond for a budget of approx. €8 million. Works are currently in progress.

10.2 Redevelopment of care residence Vinea Domini in Súdwest-Fryslân (Netherlands)

Aedifica Nederland BV has committed to finance the redevelopment of a care residence in Súdwest-Fryslân for a budget of approx. €3 million. The building will be operated by an experienced operator. Works are currently in progress.

10.3 Acquisition of the rest home Seniorenhaus Lessingstrasse in Wurzen (Germany)

Aedifica NV signed an agreement for the acquisition of a rest home to be built in Wurzen. Works are currently in progress. Due to some specific conditions linked to this transaction, the site will be added to Aedifica's portfolio during the third quarter of 2021. The building will be operated by Seniorenhaus Lessingstrasse GmbH. The acquisition price amounts to approx. €7 million.

10.4 Redevelopment of healthcare site Haus Wellengrund in Stemwede (Germany)

Aedifica NV has committed to finance the redevelopment of a healthcare site in Stemwede for a budget of approx. €8 million. The property will be operated by an entity of Argentum Holding GmbH. Works are currently in progress.

10.5 Extension of nine rest homes in the United Kingdom

Aedifica NV has committed to finance extension works on nine rest homes (Bessingby Hall, York House, The Sycamores, Southlands, The Elms & Oakwood, Blenheim, Coplands, Eltandia Hall and Heritage) in the United Kingdom for a budget of approx. €12 million. The rest homes are operated by Burlington Care and Maria Mallaband Care Group. Works on Bessingby Hall are currently in progress. Works on the other eight rest homes are being prepared.

10.6 Acquisition and renovation of healthcare site Wohnstift am Weinberg in Kassel (Germany)

Aedifica NV signed an agreement for the acquisition and renovation of a healthcare site in Kassel. The property will be operated by Cosiq GmbH. The acquisition price amounts to approx. €10 million. Aedifica has committed to invest a budget of approx. €10 million in the renovation works. Works are currently being prepared.

10.7 Acquisition and renovation of rest home BAVARIA Senioren- und Pflegeheim in Sulzbach-Rosenberg (Germany)

Aedifica signed an agreement for the acquisition and renovation of a rest home in Sulzbach-Rosenberg. The property is operated by Auriscare. The acquisition price amounts to approx. €6 million. Aedifica has committed to finance the renovation of the rest home for a budget of approx. €1 million. Works are currently being prepared.



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10.8 Construction of healthcare site Quartier am Rathausmarkt in Bremervörde (Germany)

Aedifica Residenzen West GmbH has committed to finance the construction of a new healthcare site in Bremervörde for a budget of approx. €16 million. The building will be operated by Specht Gruppe. Works are currently being prepared.

10.9 Construction of care residence Villa Nuova in Vorden (Netherlands)

Aedifica Nederland BV has committed to finance the construction of a new care residence in Vorden for a budget of approx. €4.5 million. The building will be operated by Stepping Stones Home & Care (part of the Korian group). Works are currently in progress.

10.10 Construction of four care campuses in Bremen, Weyhe, Langwedel and Sehnde (Germany)

In implementation of the cooperation agreement with Specht Gruppe (point 1.15 of Note 45), Aedifica NV acquired plots of land in Bremen, Weyhe, Langwedel and Sehnde in a third phase through Aedifica Invest NV taking over control of the company Specht Gruppe Drei GmbH (currently Aedifica Residenzen 3 GmbH). On the same date, Aedifica concluded agreements with Residenz Baugesellschaft mbH for the construction of four care campuses on these four plots of land. The works will be financed by Aedifica for a budget of approx. €58 million. The sites will be operated by EMVIA Living. Works are currently in progress.

10.11 Renovation of four rest homes in Berlin and Ueckermünde (Germany)

Through the acquisition of control over two Luxembourg real estate companies, Aedifica NV has acquired five existing rest homes in Germany (Am Stadtpark, Am Schäfersee, Rosengarten and Am Bäkepark in Berlin, and Am Tierpark in Ueckermünde). The five buildings are operated by the Vitanas group. Aedifica has committed to finance the renovation of four rest homes (Am Stadtpark, Am Schäfersee and Rosengarten in Berlin, and am Tierpark in Ueckermünde) for a budget of approx. €23 million. Works are currently being prepared. No works are planned for Am Bäkepark in Berlin.

10.12 Acquisition and renovation of two rest homes in Plön and Wankendorf (Germany)

Aedifica NV has entered into an agreement (under suspensive conditions) for the acquisition and renovation of two existing rest homes in Germany (Am Parnassturm in Plön and Am Marktplatz in Wankendorf). The buildings are operated by the Vitanas group. The total budget to be financed by Aedifica (acquisition price and renovation budget) for the two buildings amounts to approx. €12 million.

10.13 Construction acquisition of a care residence in Grave (Netherlands)

Aedifica Nederland 2 BV has concluded an agreement (under resolutive conditions) for the construction and acquisition of a care residence in Grave. The budget to be financed by Aedifica Nederland 2 BV amounts to approx. €5 million (including land). The building will be operated by an experienced operator.

10.14 Commitments that have already been realised

The commitments presented below, included in Note 45 of the Consolidated Financial Statements within the 2018/2019 Annual Financial Report, have been realised over the first half of the current financial year:

- renovation of the Plantijn rest home in Kapellen (Belgium) was completed (section 1.1 of Note 45);
- extension of the't Hoge rest home in Kortrijk (Belgium) was completed (section 1.4 of Note 45);
- construction of the Seniorenquartier Schwerin care campus in Schwerin (Germany) was completed (section 1.16 of Note 45);
- acquisition of the Seniorenzentrum Weimar rest home in Weimar (Germany) was completed (section 1.19 of Note 45);



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- the acquisition of two healthcare sites in Germany (Seniorenwohnpark Hartha in Tharandt and Seniorenpflegezentrum Zur alten Linde in Rabenau) was completed (section 1.27 of Note 45);
- the acquisition of two healthcare sites in Germany (Haus Steinbachhof in Chemnitz and Seniorenhaus Wiederitzsch in Leipzig) was completed (section 1.29 of Note 45);
- the renovation of Cowdray Club rest home in Aberdeen (United Kingdom) was completed (section 1.32 of Note 45);
- the renovation of nine rest homes in the United Kingdom was completed (section 1.33 of Note 45).

Note 11: Dividends paid

The General Meeting of 22 October 2019 approved the distribution of the result as proposed by the Board of Directors for the 2018/2019 financial year. As of 30 October 2019, a gross dividend of €2.80 was paid out for shares entitled to a full dividend (coupon no. 21: €2.38; coupon no. 22: €0.42). Shares temporarily not entitled to a full dividend were granted an adjusted dividend (coupon no. 22: €0.42). After deduction of the withholding tax of 15%, the net dividend amounted to €2.023 for coupon no. 21 and €0.357 for coupon no. 22. The total amount disbursed amounted to approx. €54 million.

Note 12: Subsequent events

- On 1 January 2020, Aedifica completed the acquisition of the BAVARIA Senioren- und Pflegeheim rest home in Sulzbach-Rosenberg (Germany).
- On 13 January 2020, Aedifica acquired a portfolio of five rest homes in the United Kingdom.
- On 16 January 2020, the construction work on the care campus Seniorenquartier Kaltenkirchen in Kaltenkirchen (Germany) was completed.
- On 17 January 2020, Aedifica completed the acquisition of the Wohnstift am Weinberg rest home in Kassel, Germany.
- On 30 January 2020, Aedifica announced that it controls approx. 98% of the shares in Hoivatilat Oy, in addition to which, on 15 January 2020, Aedifica initiated a squeeze-out procedure to acquire the remaining Hoivatilat shares and to de-list the Hoivatilat shares on Nasdaq Helsinki.
- On 12 February 2020, Aedifica completed the acquisition of the Am Parnassturm care home in Plön (Germany) and the Am Marktplatz care home in Wankendorf (Germany).

Note 13: Related party transactions

Related party transactions (as defined under IAS 24 and by the Belgian Companies Code) relate exclusively to the remuneration of the members of the Board of Directors and the Management Committee (€2,302 k for the first half of the 2019/2020 financial year; €1,555 k for the first half of the 2018/2019 financial year).

(x €1,000)	31/12/2019	31/12/2018
Short-term benefits	2,069	1,416
Post-employment benefits	98	96
Other long-term benefits	0	0
Termination benefits	0	0
Share-based payments	135	43
Total	2,302	1,555



Note 14: Consolidation scope

The following entities have been added to the consolidation scope during the first half of the current financial year:

- Aedifica UK Ltd
- Aedifica Finance 1 Ltd
- Aedifica Finance 2 Ltd
- Aedifica Services BV
- German Healthcare Real Estate I Beta Sàrl
- German Healthcare Real Estate II Gamma Sàrl
- Aureit Holding Oy
- Aedifica Residenzen West GmbH
- Aedifica Residenzen 3 GmbH

In the course of the first half of 2019/2020, Aedifica Invest Brugge NV left the consolidation scope. The companies Verlien BVBA, Résidence de la Paix NV and Buitenheide BVBA merged with Aedifica NV on 19 December 2019.

Note 15: Calculation details of the Alternative Performance Measures (APM)

For many years, Aedifica has used Alternative Performance Measures in accordance with ESMA (European Securities and Market Authority) guidelines published on 5 October 2015 in its financial communication. 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 the Company's results and performance. The APM used in this half year financial report are identified with an asterisk (*).

Note 15.1: Investment properties

(x €1,000)	31/12/2019	30/06/2019
Marketable investment properties	2,558,650	2,264,504
+ Development projects	68,818	51,205
Investment properties	2,627,468	2,315,709
+ Assets classified as held for sale	8,268	5,240
Investment properties including assets classified as held for sale*, or real estate portfolio*	2,635,736	2,320,949
- Development projects	-68,818	-51,205
Marketable investment properties including assets classified as held for sale*, or investment properties portfolio	2,566,918	2,269,744

Note 15.2: Rental income on a like-for-like basis*

Aedifica uses this concept to illustrate the performance of the investment properties after eliminating the impact of changes in the real estate portfolio.

(x €1,000)	31/12/2019	31/12/2018
Rental income	71,970	50,798
- Scope changes	-30,144	-9,624
= Rental income on a like-for-like basis*	41,826	41,174



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Note 15.3: Operating charges*, operating margin* and EBIT margin*

31 december 2019

(x €1,000)	Belgium	Germany	Netherlands	United Kingdom	Non-allocated	Inter-segment items ^o	TOTAL
SEGMENT RESULT							
Rental income (a)	28,454	13,549	10,910	19,056	0	0	71,970
Net rental income (b)	28,417	13,545	10,910	18,506	0	0	71,378
Property result (c)	28,419	13,537	10,979	18,506	0	0	71,441
Property operating result (d)	28,433	12,911	10,546	17,185	0	0	69,075
OPERATING RESULT BEFORE RESULT ON PORTFOLIO (e)	28,433	12,912	10,545	17,185	-9,007	0	60,068
Operating margin* (d)/(b)							97%
EBIT margin* (e)/(b)							84%
Operating charges* (e)-(b)							11,310

31 december 2019

(x €1,000)	Healthcare real estate	Apartment buildings	Hotels	Non-allocated	Inter-segment items ^o	TOTAL
SEGMENT RESULT						
Rental income (a)	71,970	0	0	0	0	71,970
Net rental income (b)	71,378	0	0	0	0	71,378
Property result (c)	71,441	0	0	0	0	71,441
Property operating result (d)	69,075	0	0	0	0	69,075
OPERATING RESULT BEFORE RESULT ON PORTFOLIO (e)	60,068	0	0	0	0	60,068
Operating margin* (d)/(b)						97%
EBIT margin* (e)/(b)						84%
Operating charges* (e)-(b)						11,310

31/12/2018

(x €1,000)	Healthcare real estate	Apartment buildings	Hotels	Non-allocated	Inter-segment items ^o	TOTAL
SEGMENT RESULT						
Rental income (a)	43,519	5,182	2,105	0	-8	50,798
Net rental income (b)	43,514	5,195	2,105	0	-8	50,806
Property result (c)	43,379	4,786	2,101	0	-8	50,258
Property operating result (d)	42,352	3,755	2,095	0	-8	48,194
OPERATING RESULT BEFORE RESULT ON PORTFOLIO (e)	42,261	3,766	2,094	-5,986	0	42,135
Operating margin* (d)/(b)						95%
EBIT margin* (e)/(b)						83%
Operating charges* (e)-(b)						8,671

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



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Note 15.4: Financial result excl. changes in fair value of financial instruments*

(x €1,000)	31/12/2019	31/12/2018
XX. Financial income	-10	391
XXI. Net interest charges	-8,553	-7,542
XXII. Other financial charges	-1,869	-1,483
Financial result excl. changes in fair value of financial instruments*	-10,432	-8,634

Note 15.5: Interest rate

(x €1,000)	31/12/2019	31/12/2018
XXI. Net interest charges	-8,553	-7,542
Capitalised interests	502	511
Annualised net interest charges (a)	-16,734	-14,756
Net interest charges before annualised capitalised interests (b)	-17,717	-15,755
Weighted average financial debts (c)	990,672	811,878
Average effective interest rate* (a)/(c)	1.7%	1.8%
Average effective interest rate before capitalised interests* (b)/(c)	1.8%	1.9%

On 31 December 2019, the average effective interest rate* (a)/(c) including commitment fees would be **1.9%** (31 December 2018: 2.0%).

On 31 December 2019, the average effective interest rate before capitalised interests* (b)/(c) including commitment fees would be **2.0%** (31 December 2018: 2.2%).

Note 15.6: Equity and net asset value per share

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)	31/12/2019	30/06/2019
Equity attributable to owners of the parent	1,467,142	1,429,549
- Effect of the distribution of the dividend 2018/2019	0	-54,223
Sub-total excl. effect of the distribution of the dividend 2018/2019	1,467,142	1,375,326
- Effect of the changes in fair value of hedging instruments	44,156	50,533
Equity excl. changes in fair value of hedging instruments*	1,511,298	1,425,859

Aedifica uses net asset value per share excl. changes in fair value of hedging instruments* to reflect equity per share before the non-cash effect 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, divided by the number of shares outstanding (after deduction of treasury shares) at the closing date.



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Note 15.7: Key performance indicators according to the EPRA principles

Aedifica supports reporting standardisation, which has been designed to improve the quality and comparability of information. The Company supplies its investors with most of the information recommended by EPRA. The following indicators are considered as APM:

Note 15.7.1: EPRA Earnings*

EPRA Earnings*	31/12/2019	31/12/2018
<i>x €1,000</i>		
Earnings (owners of the parent) per IFRS income statement	69,174	38,768
Adjustments to calculate EPRA Earnings*, exclude:		
(i) Changes in value of investment properties, development properties held for investment and other interests	-19,980	-13,095
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	-1,268	70
(iii) Profits or losses on sales of trading properties including impairment charges in respect of trading properties	0	0
(iv) Tax on profits or losses on disposals	0	0
(v) Negative goodwill / goodwill impairment	0	132
(vi) Changes in fair value of financial instruments and associated close-out costs	-3,418	187
(vii) Acquisition costs on share deals and non-controlling joint venture interests (IFRS 3)	0	0
(viii) Deferred tax in respect of EPRA adjustments	3,770	1,845
(ix) Adjustments (i) to (viii) above in respect of joint ventures	-1,827	0
(x) Non-controlling interests in respect of the above	99	3,833
Roundings	0	-1
EPRA Earnings* (owners of the parent)	46,550	31,739
Number of shares (Denominator IAS 33)	24,601,110	18,255,720
EPRA Earnings* per Share (EPRA EPS* - in €/share)	1.89	1.74



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Note 15.7.2: EPRA NAV*

EPRA Net Asset Value* (NAV)	31/12/2019	30/06/2019
<i>x €1,000</i>		
NAV per the financial statements (owners of the parent)	1,467,143	1,375,325
NAV per the financial statements (in €/share) (owners of the parent)	59.64	55.90
Effect of exercise of options, convertibles and other equity interests (diluted basis)	0	0
Diluted NAV, after the exercise of options, convertibles and other equity interests	1,467,143	1,375,325
Include:		
(i.a) Revaluation of investment properties (if IAS 40 cost option is used)	0	0
(i.b) Revaluation of investment properties under construction (IPUC) (if IAS 40 cost option is used)	0	0
(i.c) Revaluation of other non-current investments	0	0
(ii) Revaluation of tenant leases held as finance leases	0	0
(iii) Revaluation of trading properties	0	0
Exclude:		
(iv) Fair value of financial instruments	44,156	50,533
(v.a) Deferred taxes	15,581	11,848
(v.b) Goodwill as a result of deferred taxes	0	0
Include/exclude:		
Adjustments (i) to (v) in respect of joint venture interests	0	0
EPRA NAV* (owners of the parent)	1,526,880	1,437,706
Number of shares (Denominator IAS 33)	24,601,158	24,601,158
EPRA NAV* (in €/share) (owners of the parent)	62.07	58.44

The EPRA NAV* values in euro and euro per share as of 30 June 2019 (presented in the table above) were adjusted by €54,223 k (or €2.20 per share) in comparison to the figures published in the 2018/2019 Annual Financial Report, so that they can be compared with the values as of 31 December 2019. This adjustment corresponds to the 2018/2019 gross dividend, which was distributed in October 2019.

Note 15.7.3: EPRA NNNAV*

EPRA Triple Net Asset Value* (NNNAV)	31/12/2019	30/06/2019
<i>x €1,000</i>		
EPRA NAV* (owners of the parent)	1,526,880	1,437,706
Include:		
(i) Fair value of financial instruments	-44,156	-50,533
(ii) Fair value of debt	-9,392	-7,329
(iii) Deferred taxes	-15,581	-11,848
EPRA NNNAV* (owners of the parent)	1,457,751	1,367,996
Number of shares (Denominator IAS 33)	24,601,158	24,601,158
EPRA NNNAV* (in €/share) (owners of the parent)	59.26	55.61

The EPRA NAV* values in euro and euro per share as of 30 June 2019 (presented in the table above) were adjusted by €54,223 k (or €2.20 per share) in comparison to the figures published in the 2018/2019 Annual Financial Report, so that they can be compared with the values as of 31 December 2019. This adjustment corresponds to the 2018/2019 gross dividend, which was distributed in October 2019.



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Note 15.7.4: EPRA Cost Ratios*

EPRA Cost ratios*	31/12/2019	31/12/2018
<i>x €1,000</i>		
Administrative/operating expense line per IFRS statement	-11,901	-8,663
<i>Rental-related charges</i>	-591	8
<i>Recovery of property charges</i>	0	50
<i>Rental charges and taxes normally paid by tenants on let properties</i>	63	-598
<i>Technical costs</i>	-136	-722
<i>Commercial costs</i>	-29	-218
<i>Charges and taxes on unlet properties</i>	0	-81
<i>Property management costs</i>	-1,850	-846
<i>Other property charges</i>	-351	-197
<i>Overheads</i>	-9,000	-6,083
<i>Other operating income and charges</i>	-7	24
EPRA Costs (including direct vacancy costs)* (A)	-11,901	-8,663
<i>Charges and taxes on unlet properties</i>	0	81
EPRA Costs (excluding direct vacancy costs)* (B)	-11,901	-8,582
Gross Rental Income (C)	71,970	50,798
EPRA Cost Ratio (including direct vacancy costs)* (A/C)	17%	17%
EPRA Cost Ratio (excluding direct vacancy costs)* (B/C)	17%	17%
Overhead and operating expenses capitalised (including share of joint ventures)	0	0

Aedifica capitalises some project management costs.



7. Auditors' report (limited review)

Report of the statutory auditor to the shareholders of Aedifica SA on the review of the interim condensed consolidated financial statements as of 31 December 2019 and for the 6 month period then ended

Introduction

We have reviewed the accompanying interim consolidated balance sheet of Aedifica SA (the 'Company'), and its subsidiaries (collectively referred to as 'the Group') as at 31 December 2019 and the related interim consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the 6 month period then ended, and explanatory notes, collectively, the 'Interim Condensed Consolidated Financial Statements'. These statements show a consolidated balance sheet total of € 2.728.856 thousand and a consolidated profit for the 6 month period then ended of € 69.301 thousand. Management is responsible for the preparation and presentation of these Interim Condensed Consolidated Financial Statements in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting ('IAS 34') as adopted for use in the European Union. Our responsibility is to express a conclusion on these Interim Condensed Consolidated Financial Statements based on our review.

Scope of Review

We conducted our review in accordance the International Standard on Review Engagements 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' applicable to review engagements. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Condensed Consolidated Financial Statements do not give a true and fair view of the financial position of the Group as at 31 December 2019, and of its financial performance and its cash flows for the 6 month period then ended in accordance with IAS 34.

Brussels, 18 February 2020

EY Réviseurs d'Entreprises SRL
Statutory auditor
represented by

Joeri Klaykens[°]
Partner
[°] Acting on behalf of a BVBA/SPRL



VI. Forward-looking statement

This half year financial report contains forward-looking information involving risks and uncertainties, in particular statements concerning Aedifica's plans, objectives, expectations and intentions. It is brought to the attention of the reader that these statements may involve known or unknown risks and be subject to significant uncertainties related to operational, economic and competitive plans, many of which are outside of Aedifica's control. In the event that some of these risks and uncertainties were to materialise, or should the assumptions prove incorrect, actual results may deviate significantly from those anticipated, expected, projected or estimated. In this context, Aedifica assumes no responsibility for the accuracy of the forward-looking information provided.

VII. Responsible persons statement

Mr. Serge Wibaut, Chairman of Aedifica's Board of Directors, and Mr. Stefaan Gielens, CEO of Aedifica, declare that to the best of their knowledge:

- the Condensed Consolidated Financial Statements, prepared in accordance with applicable accounting standards, give an accurate picture of the assets, financial situation and the results of Aedifica and the businesses included in the consolidation;
- the interim Board of Directors' Report contains an accurate account of the important events and key related party transactions that occurred during the first six months of the financial year and their impact on the Condensed Consolidated Financial Statements, and a description of the main risks and uncertainties they face for the remaining months of the financial year.

The English version of this press release constitutes a free translation of the Dutch language text and is made for information purposes only. In case of inconsistency with the Dutch version or inaccuracy of the Dutch translation, the Dutch text shall prevail.



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This half year financial report is also available in French and Dutch³³.

Auditor	Ernst & Young Réviseurs d'Entreprises SCCRL, represented by Joeri Klaykens, Partner
Valuation experts	Cushman & Wakefield Belgium SA, Deloitte Consulting & Advisory SCRL, CBRE GmbH, Jones Lang LaSalle SE, DTZ Zadelhoff VOF, Savills Consultancy BV en Cushman & Wakefield Debenham Tie Leung Ltd
Financial year	1 July - 30 June

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³³ The Dutch version of this document has true value. The English and French versions are translations and were written under Aedifica's supervision.