



**Program Investor Day 2015**

**Wednesday, September 23rd, 2015**

**Venue : Amsterdam DoubleTree by Hilton Hotel, near Amsterdam Central Station**

08 :00 – Registration and breakfast buffet

08 :30 – *Update on Cofinimmo's strategy* – Presentation by Jean-Edouard Carbonnelle, CEO

09 :30 – *Latest trends in healthcare and impact on real estate* – Presentation by Sébastien Berden, Head of Healthcare, and *The Domus Magnus business model* – Presentation by Erwin Miedema, CEO Domus Magnus, followed by Q&A session

10 :45 – Coffee break

11 :00 – *The Aspria business model* – Presentation by Brian Morris, CEO and co-founder of Aspria, followed by Q&A session

12 :00 – Departure for 'The New York Steakhouse' Pubstone restaurant

12 :30 – Lunch at 'The New York Steakhouse' Pubstone restaurant

13 :30 – Departure for 'De Uylenburgh' nursing home

14 :00 – Visit of 'De Uylenburgh' nursing home

14 :30 – Departure for Bergman clinic in Naarden

15 :30 – Visit of Bergman clinic and short presentation by Bart Malenstein, CEO Bergman Clinics

16 :30 – Departure for Amsterdam Central Station

17 :30 – Arrival at Amsterdam Central Station

# COFINIMMO INVESTOR DAY

23.09.2015

**Cofinimmo**  
together in real estate

# STRATEGY

JEAN-EDOUARD

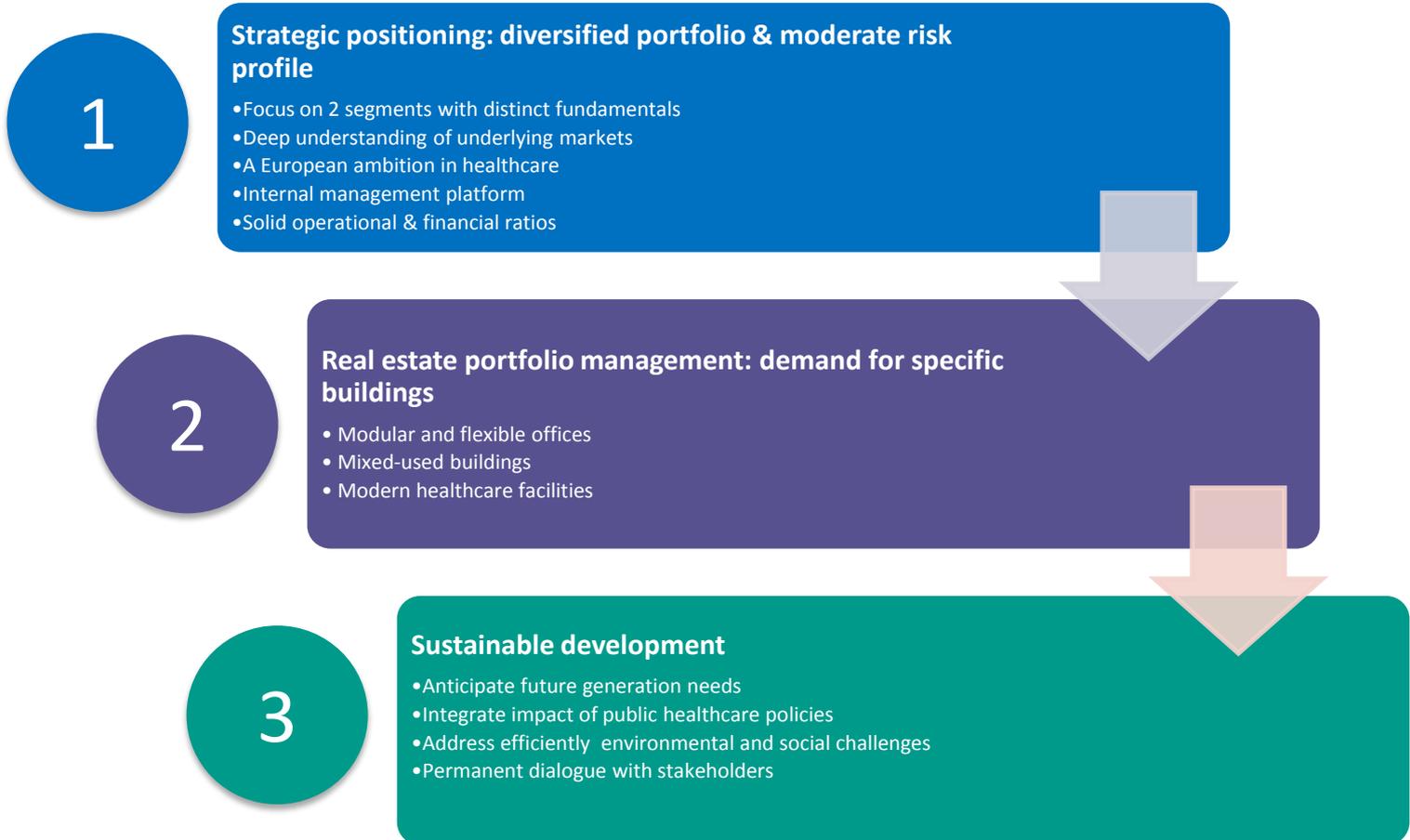
CARBONNELLE

CEO

**Cofinimmo**  
together in real estate

# \* STRATEGY

## Demand for specific buildings and client relationship are at the heart of Cofinimmo's strategy



# 1. STRATEGIC POSITIONING

# \* FOCUS ON 2 CORE SEGMENTS

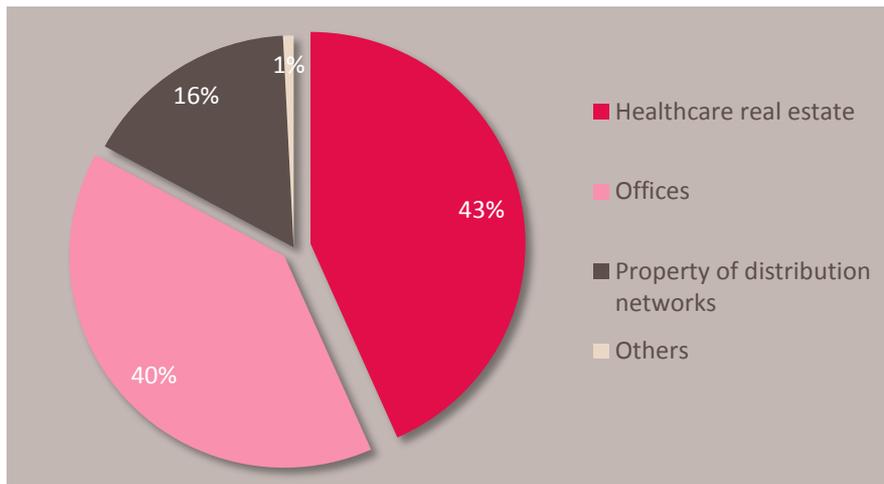
Total portfolio fair value: €3,274 million

Portfolio equally exposed to Healthcare and Offices

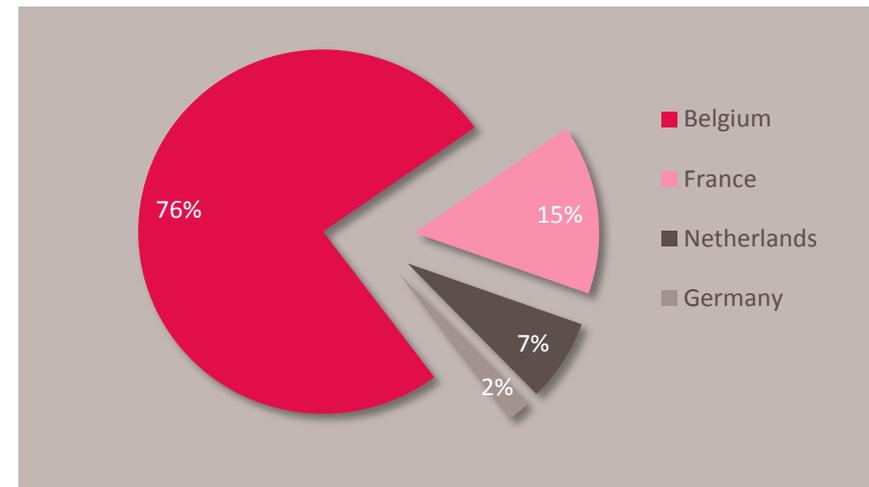
Sector/geographical diversifications mitigate market risks

Focus to be preserved

Breakdown by segment



Breakdown by location



# \* STRONG INTERNAL EXPERTISE

**Internal real estate management platform > 115 employees**

**Experienced healthcare team :**

- Broad offering to healthcare operators from mere financing to integrated management of development projects
- In-depth knowledge of the various healthcare sub-segments
- Active prospection

**Dedicated office team :**

- Maintenance of buildings
- Commercial activity
- Added-value services for tenants
- Negotiation of framework contracts with suppliers
- Fitting-out of spaces

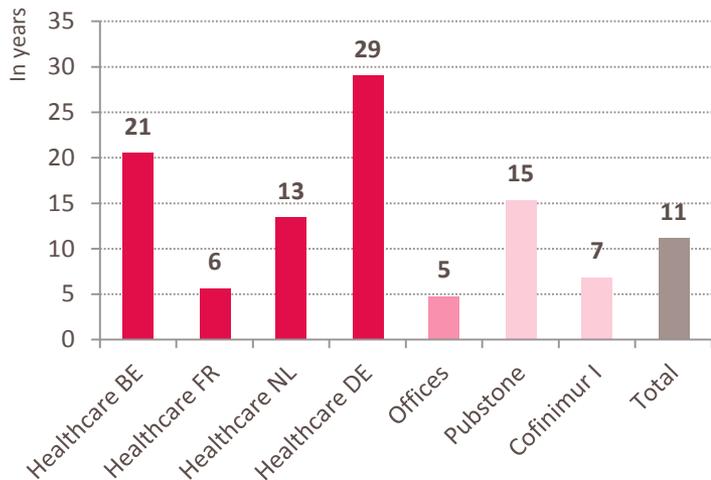
**In house management of development projects:**

- Redevelopment projects
- Reconversions of offices into alternative uses

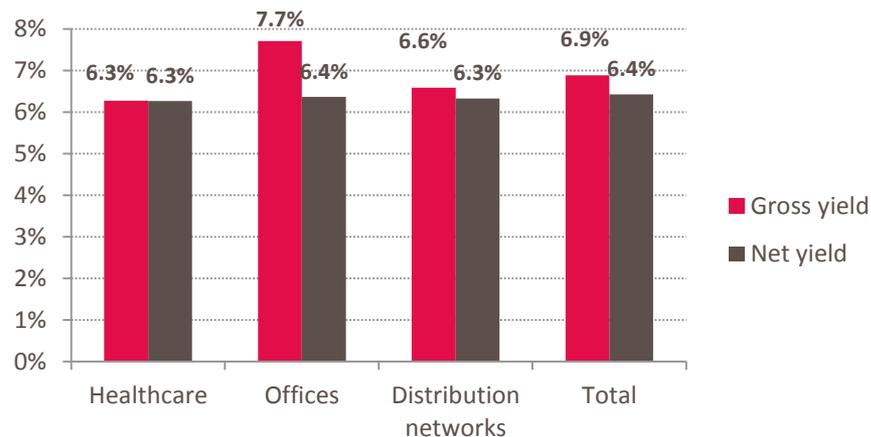
Supported by in house project management team responsible for managing development, renovations works, decoration or space lay-out projects

# \* SOLID OPERATIONAL RATIOS

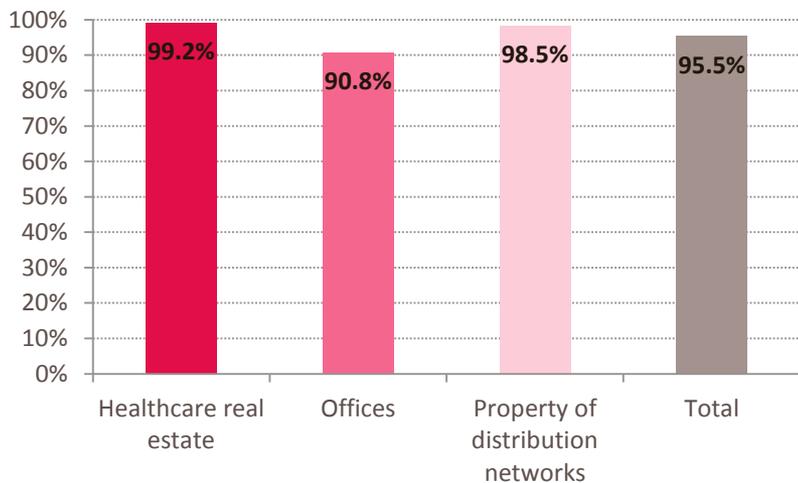
### Long term leases



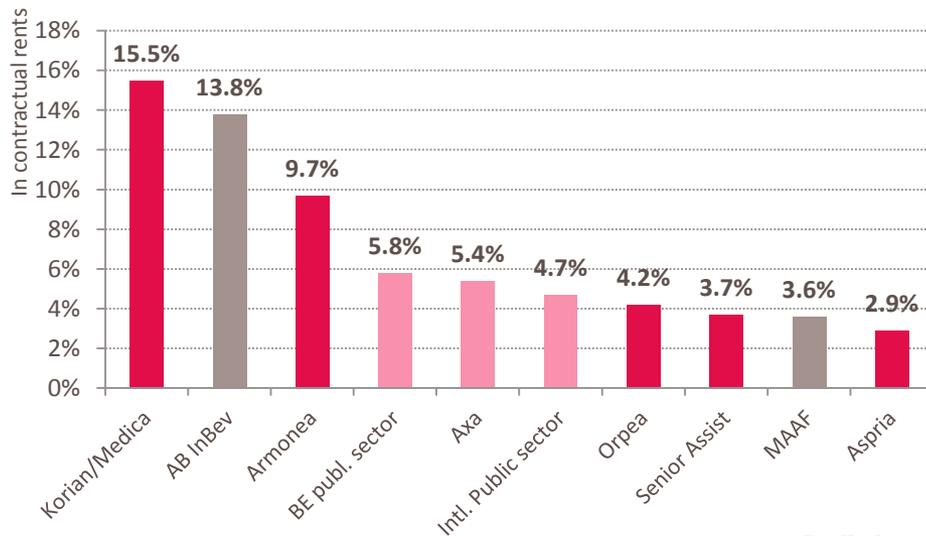
### Stable yields



### Resilient occupancy rate



### Quality tenants

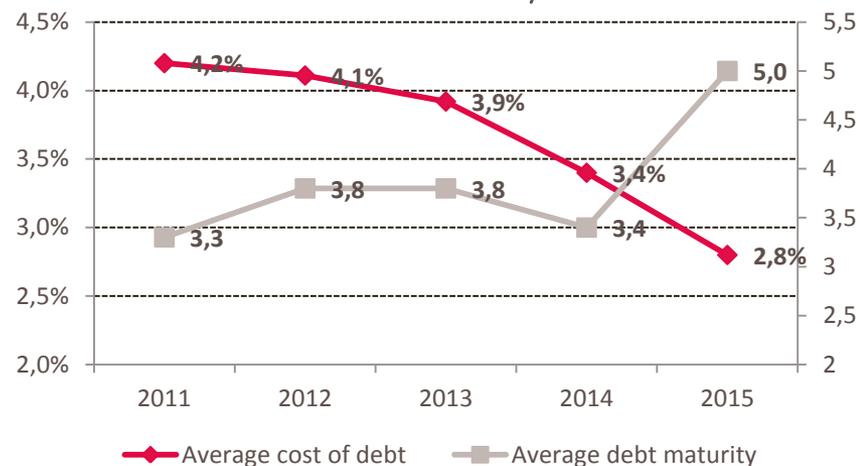


# \* BALANCE SHEET OPTIMIZATION

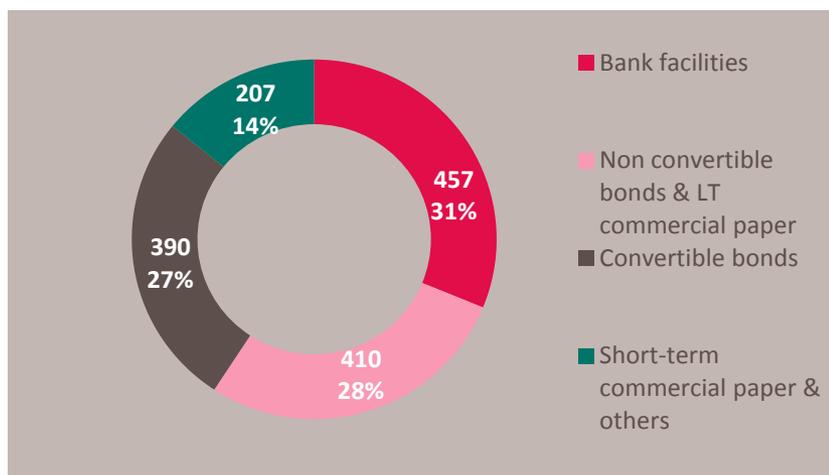
## Solid financial ratios

	30.06.2015	31.12.2014
Debt ratio	43%	48%
Average debt (in MEUR)	1,463.8	1,593.4
Average cost of debt	2.8%	3.4%
Average debt maturity (in years)	5.0*	3.4
ICR (excl. hedging restructuration)	3.81	3.26

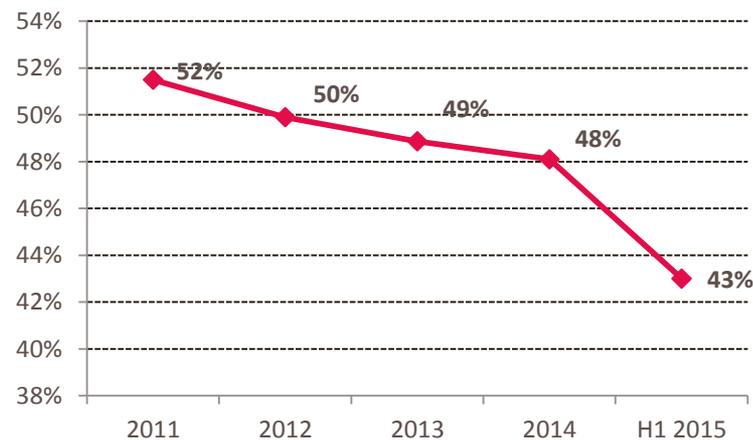
## Decreasing average cost of debt & increased average debt maturity



## Diversified sources of funding



## Debt ratio < 50%



\* Average debt maturity on 31.07.2015



# ACCESS TO CAPITAL MARKETS

**Regular access to capital markets provides sufficient financial headroom to pursue further growth**

**Private Placement for €190 million in January 2015:**

- 7yr bond
- Fixed coupon of 1.93%

**Capital increase with preferential rights of €285 million in May 2015:**

- Issue price : €95 per share
- Dividend entitlement from 13.05.2015
- 1 new share for 6 existing shares
- 84.3% taken by existing shareholders
- Market capitalisation after the rights issue: €2 billion

# \* UPDATE ON INVESTMENT PIPELINE

## € 118 million office refurbishments for 2H2015 – 2017, mainly:

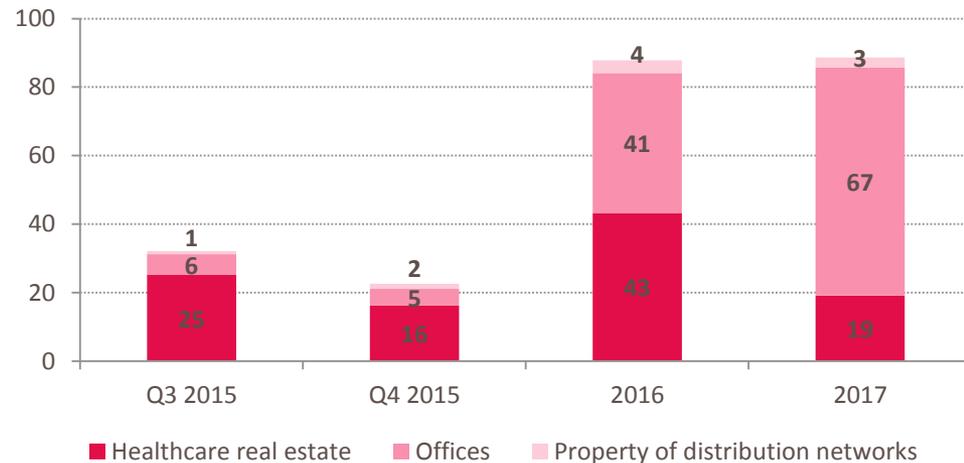
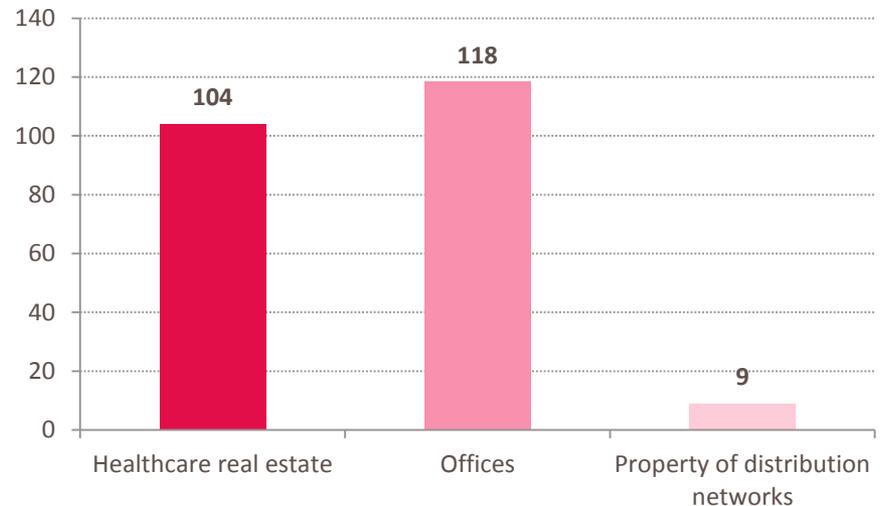
- Guimard 10-12: €4 million
  - Belliard 40: €44 million
  - Arts 19H: €21 million
- } In CBD
- Sovereign 23-25: €11 million
  - Ten Reuken: €24 million (for sale)

## €104 million new construction, extensions & renovations of healthcare properties, mainly:

- Belgium: €47 million (including reconversion of Woluwe 106-108)
- France: €6 million
- Netherlands: €42 million

> 50% of pipeline prelet

€231 million Investment Pipeline for 2H2015-2017



## 2. REAL ESTATE PORTFOLIO MANAGEMENT

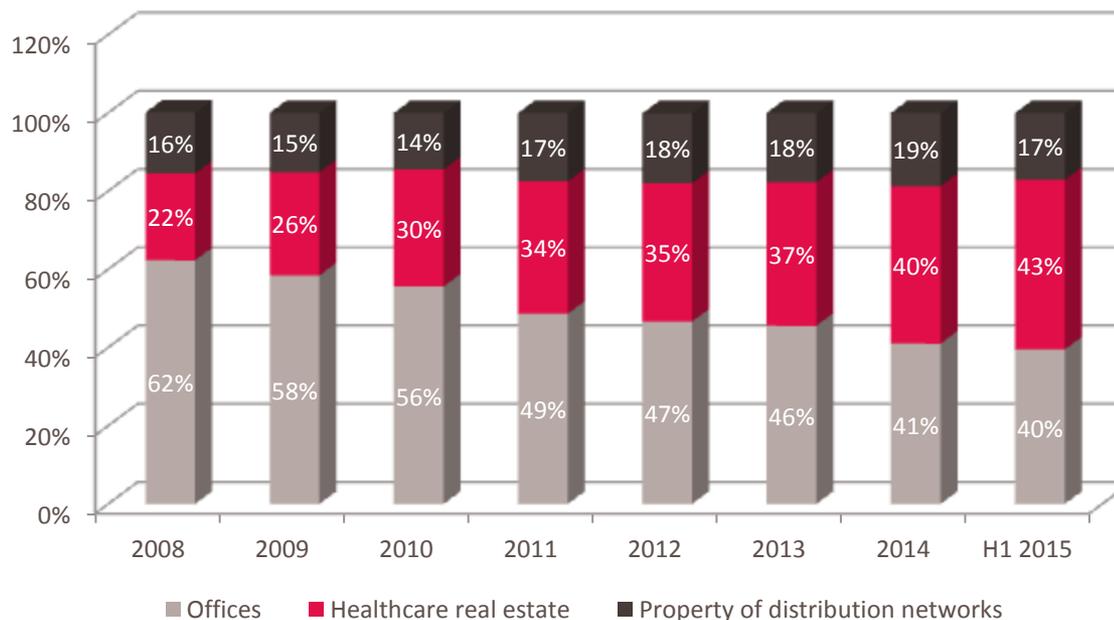
# \* TRANSFORMATION OF PORTFOLIO

A decade ago, Cofinimmo started a strategic repositioning of its portfolio in search of stability, long-term cash flows, attractive yields and reduced risk exposure.

Portfolio diversification has allowed to reduce concentration of market risks.

Priority has been given to niches or situations of real needs detected for new or refurbished spaces.

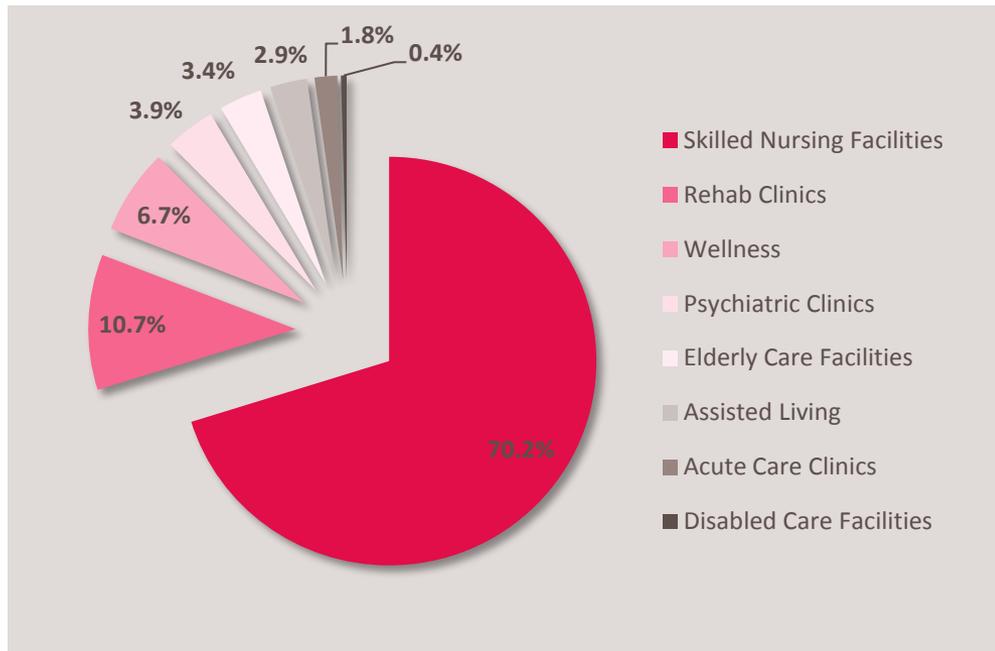
Evolution of portfolio 2008-H1 2015



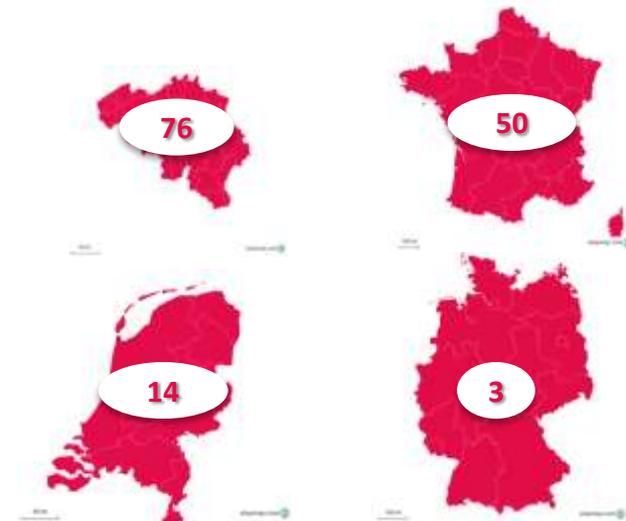
# \* HEALTHCARE PORTFOLIO

- Diversification in terms of country, medical specialty and operator
- Ageing population and evolving lifestyles bring new needs in terms of healthcare
- Various sources of revenues for operators (social security, insurance, private individuals)
- Risks spread between the various social security systems

Fair value of portfolio: €1.42 billion



143 sites (> 13,000 beds)  
4 countries

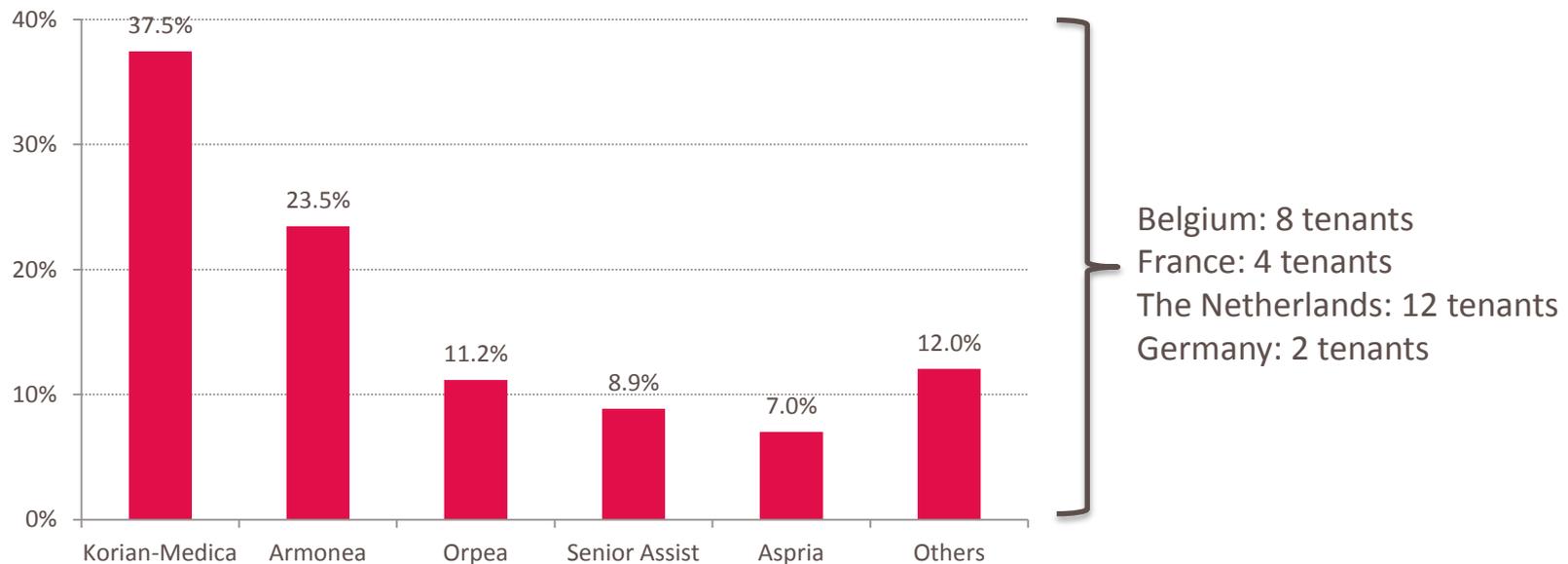


# \* SOLID EXPERIENCE WITH HEALTHCARE OPERATORS

**Selection of operators with proven experience and financial stability**

**Assets are usually leased to operator groups which manage many sites, but Cofinimmo also backs entrepreneurs and private equity sponsored groups.**

**Cofinimmo assists the operators with their expansion plans by renovating existing assets or developing new projects.**



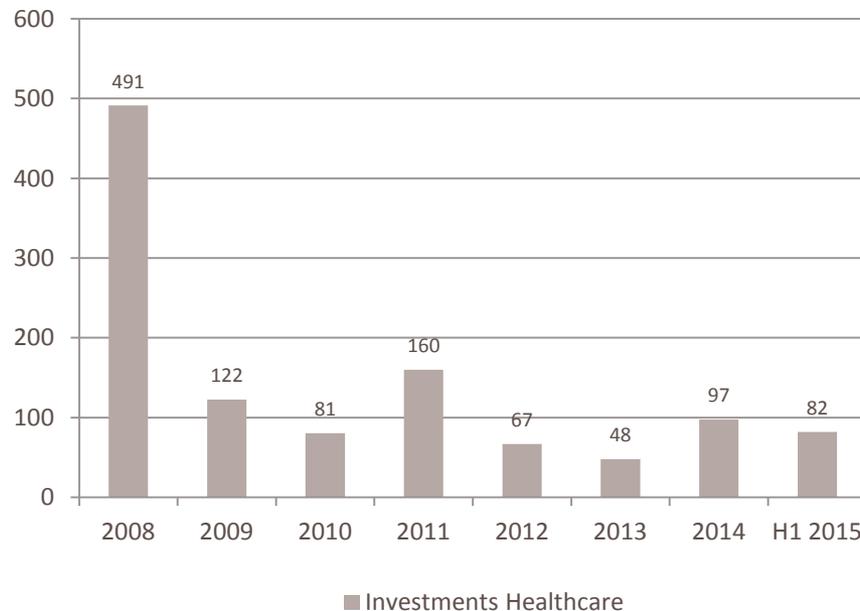
# \* TRACK RECORD IN HEALTHCARE

Since 2008, the healthcare portfolio has constantly grown, representing an average investment of €150 million/year (acquisitions + capex).

Cofinimmo has acquired either single asset or large portfolios.

Over 50 healthcare projects managed or overseen over the past 10 years.

Investments in healthcare



Investment criteria

1. Long term lease with recognized and reputable operators
2. Rent levels commensurate with the economics of each project/site
3. Favourable locations enabling redevelopment potential
4. Initial yields > 5.5%

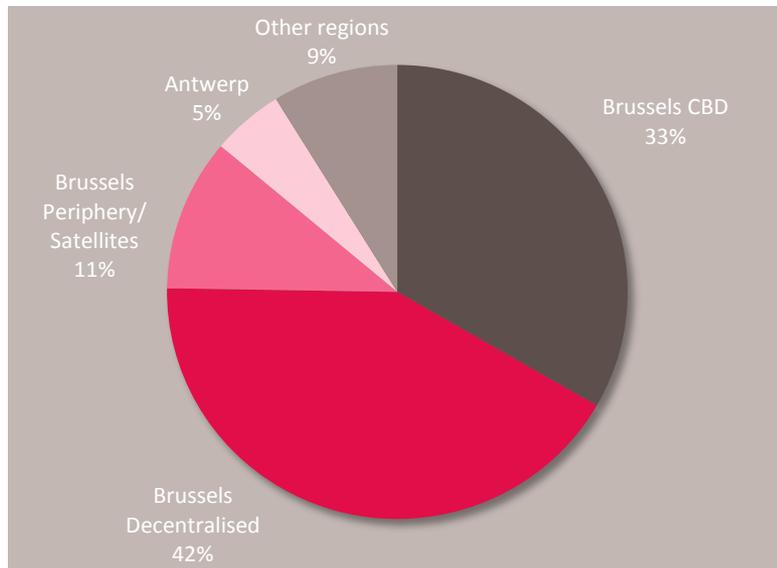
# \* OFFICE PORTFOLIO

Proactive office portfolio management to guarantee tenants retention and minimize negative reversion

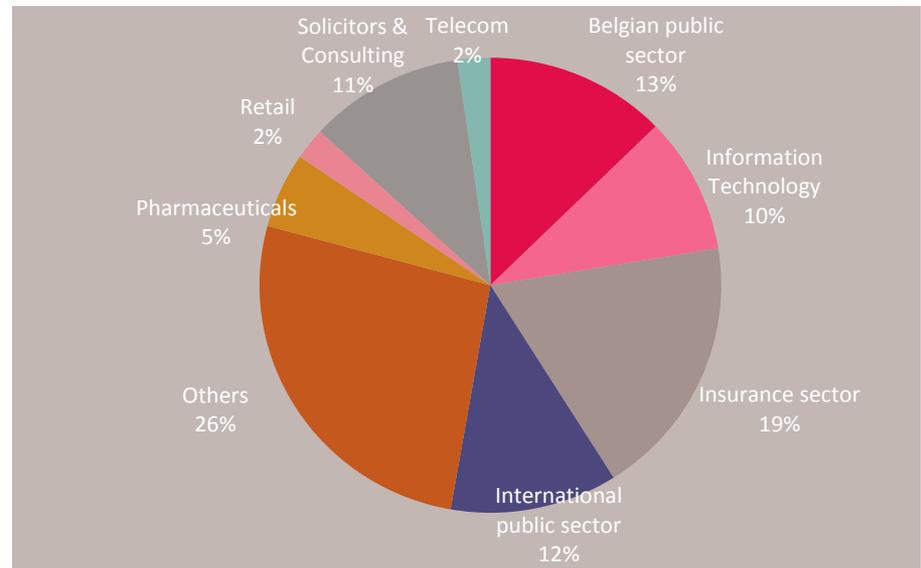
In H1 2015, Cofinimmo signed leases for 24,000 m<sup>2</sup> of office space, i.e. €16.4 million of guaranteed revenues, net of rent-free periods (>58,000 m<sup>2</sup> leased on average over the past 3 years)

Occupancy rate at 90.8% above Brussels office market

Fair value of portfolio: €1.29 billion



Breakdown by activity: 25% let to public institutions



# \* OFFICES : EXTRACT VALUE FROM EACH LOCATION

Carry out careful arbitrage in the office portfolio

Improve the quality of the portfolio by renovating or redeveloping old buildings

Consider reconversions into alternative usages on a case by case basis



## Brussels CBD

- Driven by presence of EU and Belgian & European institutions
- Arbitrage opportunities in a context of yields compression



## Brussels Decentralized

- Subject to improved corporate demand
- Limited volume of transactions
- Opportunities for offices reconversion to recover value



## Brussels Periphery

- Resilient office demand especially in the airport area
- Innovative solutions to attract new tenants

# \* OFFICES RENOVATIONS

- Continuous improvement of the quality of the office portfolio: mid-scale to large renovations
- Goal: meet tenants needs for modern and modular office spaces with better energy performances



- The Gradient (formerly Tervuren 270) - Decentralized
- Renovation (by phase until 2017) and Rebranding
- 18,300 sqm
- Multi tenants



- Livingstone II – CBD
- Renovation
- 17,000 sqm
- Works completed in Q3 2014
- Let to the European Commission
- Disposal process underway



- Guimard 10 – CBD
- Renovation
- 10,800 sqm
- Works to be completed in Q3 2015
- 70% already prelet to Bank Degroof

# \* OFFICE RECONVERSIONS

- **Reconversion of obsolescent offices into other uses, offering better capital recovery and lower commercial risk than renovations as offices**
- **Woluwe 34 – Decentralised Brussels (6,700m<sup>2</sup>)**
  - Reconversion of offices to 69 apartments
  - Works completed in Q1 2015
  - Recovered value (sales price – cost of works): €1,600/m<sup>2</sup> (vs. < €625/m<sup>2</sup> for office scenario but commercial risk)
  - 100% sold
- **Livingstone I – Brussels CBD (17,000m<sup>2</sup>)**
  - Reconversion of offices to 122 apartments
  - Works completed in Q1 2015
  - Fixed price of €24 million guaranteed by co-developer
  - Recovered value (sales price – cost of works): €1,400/m<sup>2</sup> (vs. €1,300/m<sup>2</sup> for office scenario but commercial risk)
  - 100% sold



# 3. SUSTAINABLE DEVELOPMENT

# \* SUSTAINABLE APPROACH

Over the years Cofinimmo has gradually integrated sustainable developments in its corporate strategy while maintaining an ongoing dialogue with its stakeholders

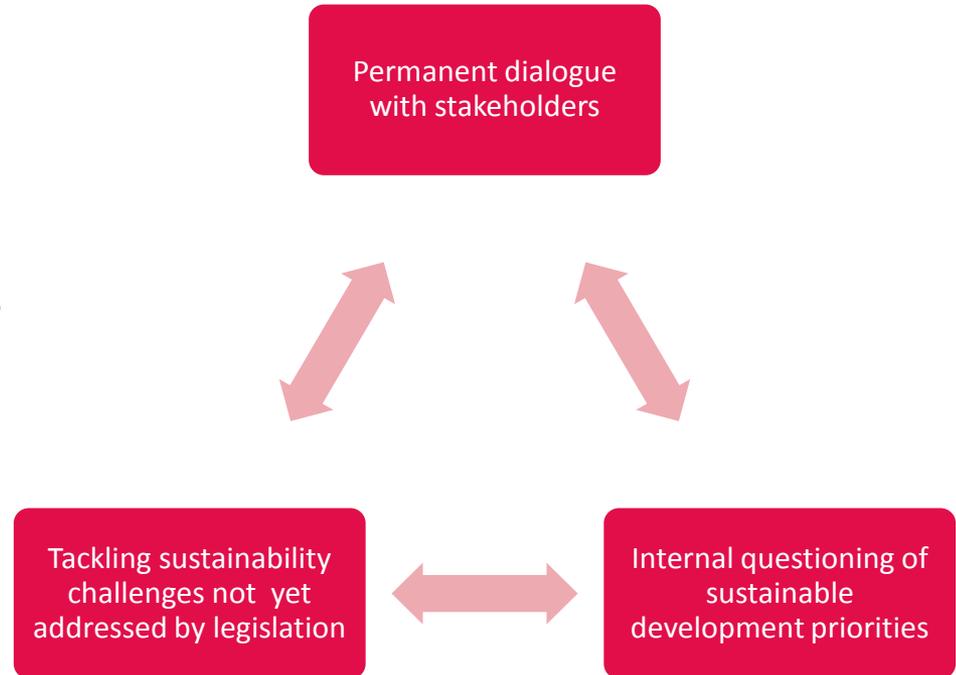
CSR\* strategy is driven by the major trends impacting Cofinimmo's real estate activity

- Urbanisation
- The ageing population
- Changes in technology and working practices
- Climate changes

Attention given to CSR reporting:

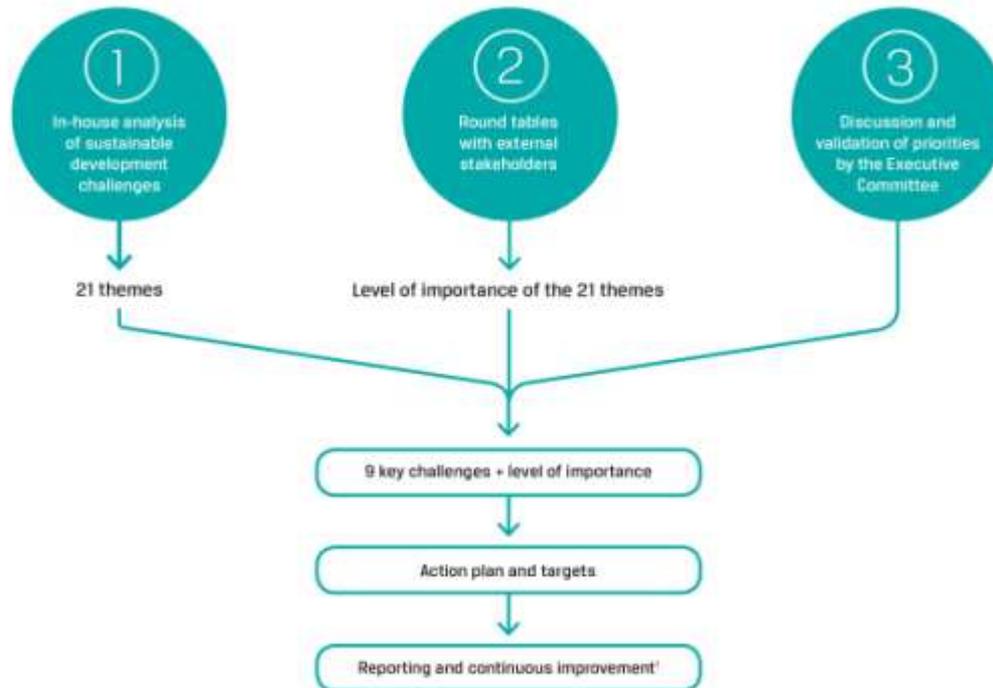
- Separate comprehensive CSR annual report
- GRESB scoring
- EPRA sBPR gold label 2014/2015

\*Corporate Social Responsibility strategy



# \* INTERNAL ANALYSIS

- In 2014, Cofinimmo initiated a proactive dialogue with its key stakeholders, following social responsibility guidelines such as ISO 26000 and G4 GRI\*
- The exercise was carried out in three stages resulting in a materiality matrix



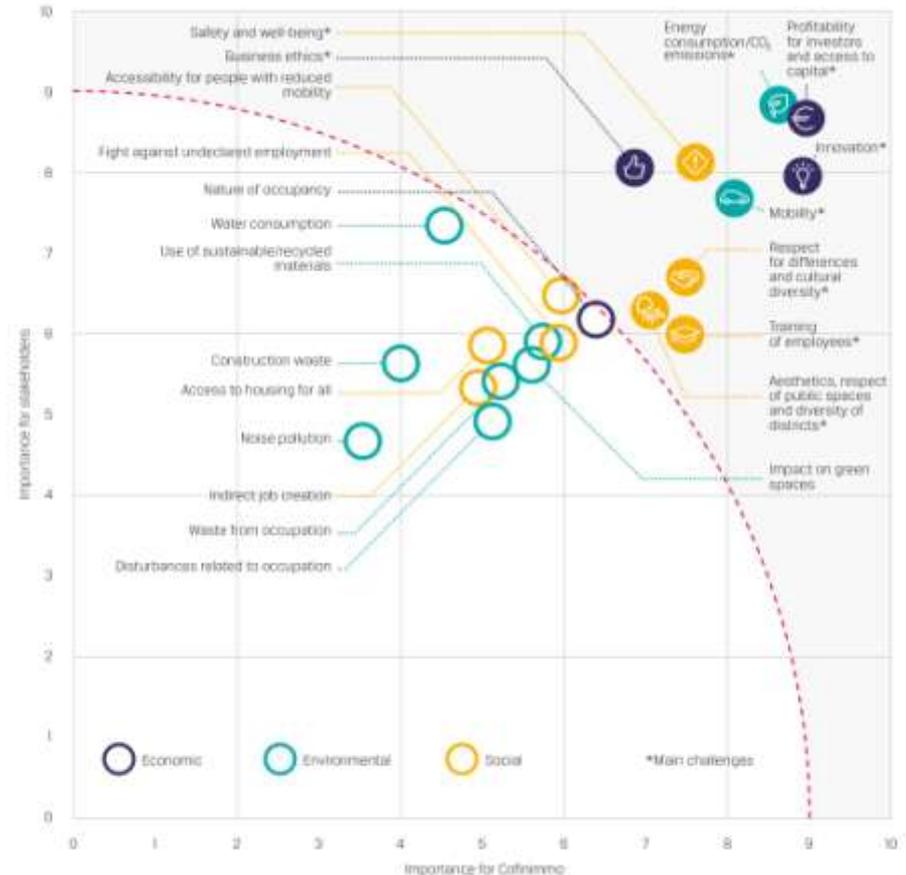
\*Global Reporting Initiative

# \* SUSTAINABLE DEVELOPMENT PRIORITIES

The materiality matrix reflects the perception of challenges between Cofinimmo and its stakeholders

Nine priority issues tackling environmental, economic and social aspects have been identified

Cofinimmo will answer to these priorities taking into account the occupants future needs and a sufficient level of profitability to remunerate investors



# CONCLUSION



# LONG TERM VALUE FOR SHAREHOLDERS

Cofinimmo 10-year record aiming at reprofiling the portfolio has paid off.

Long-term leases provide recurring cash flows with better protection against market volatility.

Cash flows are transformed into dividends, whilst arbitrage of assets aims at protecting capital values.

## Diversified portfolio

- Balanced portfolio value
- Stable NAV
- Long term cashflows

## Recurring cash flows

- Reduced non cash items in P&L
- Positive impact of decreasing cost of debt on current earnings
- Operational costs under control

## Dividends

- Pay out ratio > 80% (RREC legislation)
- Dividend distribution policy aligned with EPS
- DPS more in line with CFPS

# \* GUIDANCE

## Pursuing growth, improve portfolio quality and keep a moderate risk profile & sustainable earnings

### Healthcare real estate

- Pursuing acquisitions (asset by asset or portfolios)
- Greenfield projects in more mature markets
- Further diversification per country, per medical specialty and per operator
- Sale of mature, vacant or non strategic assets

### Offices

- Focus on premium quality buildings
- Renovation and reconversion programs
- Arbitrage within a portfolio kept above critical size

### Property of distribution networks

- Asset rotation within existing portfolios
- Opportunistic investments meeting Cofinimmo's criteria

### Balance sheet

- Regular acces to capital markets
- Debt ratio < 50%
- Reduced cost of debt < 3%



Q&A

# INVESTOR DAY, HEALTH CARE ACTIVITY REVIEW

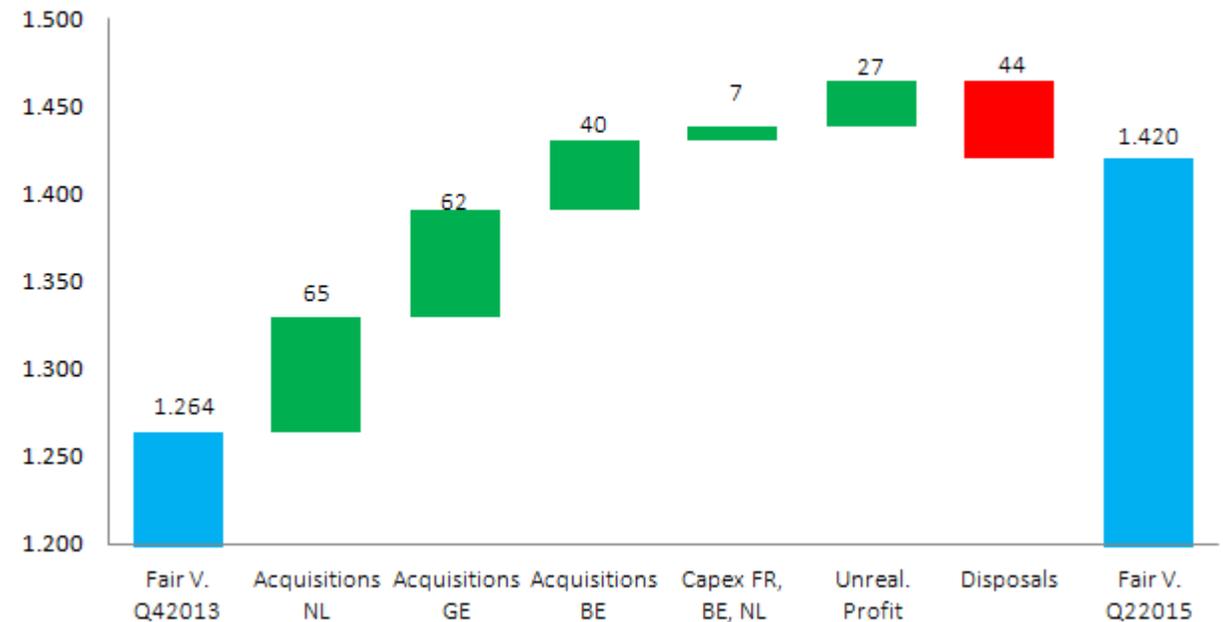
**Cofinimmo**  
*together in real estate*

# \* I. REVIEW OF ACTIVITY

## - Highlights of 2014 – 2015:

- 180m of investments (incl. 41m of organic growth)
- Major disposal program in 2014 in FR : -47m
- Further diversification:
  - First acquisitions in GE : 64m
  - First investments in care for disabled people
  - First investments in Medical Office Buildings (NL)
  - Further development of investments in
    - Mental care
    - Rehab care (FR, GE)
    - Wellness & Sports sector

## Roll forward HC portfolio



# \* I. REVIEW OF ACTIVITY (CONT'D)

## - Acquisitions in the Netherlands:

### - Green Portfolio

- 12 locations, 36,450 m<sup>2</sup> in total
- Average of 15 year residual lease length with 11 health care operators
- Gross transaction value: 71.97 million EUR (Gross yield: 7,46%)

### - DC Klinieken

- 2 locations (Almere: 2,380 m<sup>2</sup>, Voorschoten : 1,320 m<sup>2</sup>)
- 15-year initial lease length with DC Groep
- Gross transaction value: 5.7 million EUR (Initial gross yield: 7,45%)



# \* I. REVIEW OF ACTIVITY (CONT'D)

## - Acquisitions in the Germany:

### - Baden Baden

- Surface area 4,376 m<sup>2</sup> (incl. 46 rooms, physiotherapy spaces, gyms and pool)
- 25-year initial lease length with Celenus (Orpea Group)
- Gross transaction value: 10.9 million EUR (Gross yield: 7,64%)

### - Aspria

- 2 locations offering wellness, gym, indoor & outdoor sport, hotel and restaurant facilities)
  - Hamburg /Uhlenhorst: 7,800 m<sup>2</sup>
  - Hanover /Maschsee: 10,000 m<sup>2</sup>
- 30 -year initial lease length with Aspria
- Initial investment amount to 53.6 million EUR (Gross rental yield: 7.60%)



# \* I. REVIEW OF ACTIVITY (CONT'D)

## - Development and refurbishments in Belgium:

### - Armonea

- Den Brem, Rijkevorsel– Extension +1,325 m<sup>2</sup> - +36 beds
- Vishay, Evere - New construction – 8,565 m<sup>2</sup> - 162 beds
- Noordduin, Koksijde - New construction – 6,440 m<sup>2</sup> - 87 beds
- Lakendal, Aalst – New construction – 7,503 m<sup>2</sup> -80 beds and 29 service flats

### - Senior Living Group

- Damiaan , Tremelo - Renovation and extension - +556 m<sup>2</sup> - +42 beds

### - Senior Assist

- Mouterij , Aalst – New construction – 7,643 m<sup>2</sup> - 116 beds and 12 Service Flats



# \* I. REVIEW OF ACTIVITY (CONT'D)

## - Disposals in France :

- Disposal of 5 assets totalising 18,983 m<sup>2</sup> (Castelnau-de-Levis, La Ferté-Gaucher, Chambray-lès-Tours, Equeurdreville and Béziers)
- +8 years residual lease term with Korian
- Gross transaction value: 41.4 million EUR (Gross yield: +- 6%)
- Purchaser: Health Property Fund 1, a non-listed investment fund managed by BNP Paribas REIM France,



PATIENT 132-54/B



CONTACT  
MAIL  
INFO

# WHAT WILL BRING THE FUTURE ?

## PERSPECTIVES IN THE HEALTH CARE SEGMENT



NAME	John Doe
DOB	1980-01-15
SEX	Male
ETHNICITY	White
RELIGION	Catholic
LANGUAGE	English
PREV. CONDITIONS	None
ALLERGIES	None
PHYSICIAN	Dr. Smith
PATIENT ID	132-54/B
MR. ID	123456
DOB	1980-01-15

**PRESCRIPTION**

Medication: *Amoxicillin*

Strength: 500mg

Frequency: *q.d.*

Duration: 7 days

Signature: *[Handwritten Signature]*

Buttons: PRINT, SAVE, UPDATE, DELETE

# \* I. REVIEW OF THE GENERAL CONTEXT

## - A. Theoretical increase in demand

- Favourable demographics: +20% p.a. growth in +80 population
- Capacity needs: +13% p.a. additional residential care beds
- Example for Belgium:
  - +30k beds needed in 2030 (vs 140k in 2015)
  - +95k beds needed in 2050
- Societal structural changes (elderly population gaining political weight)

### Projection Belgian +80 population

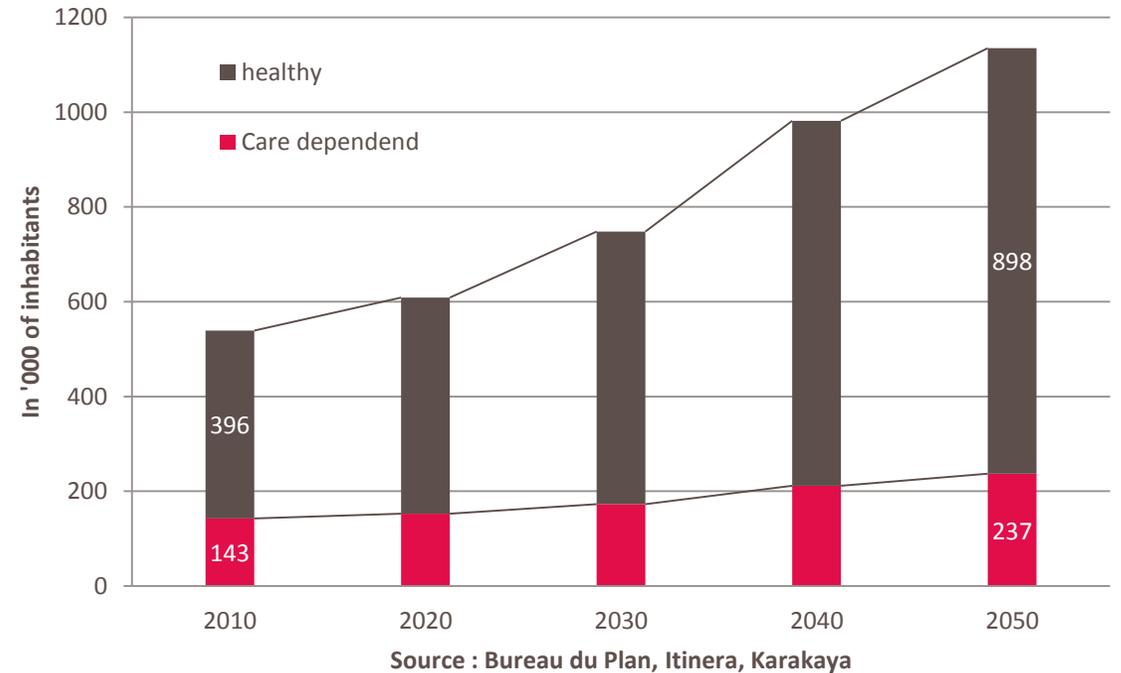
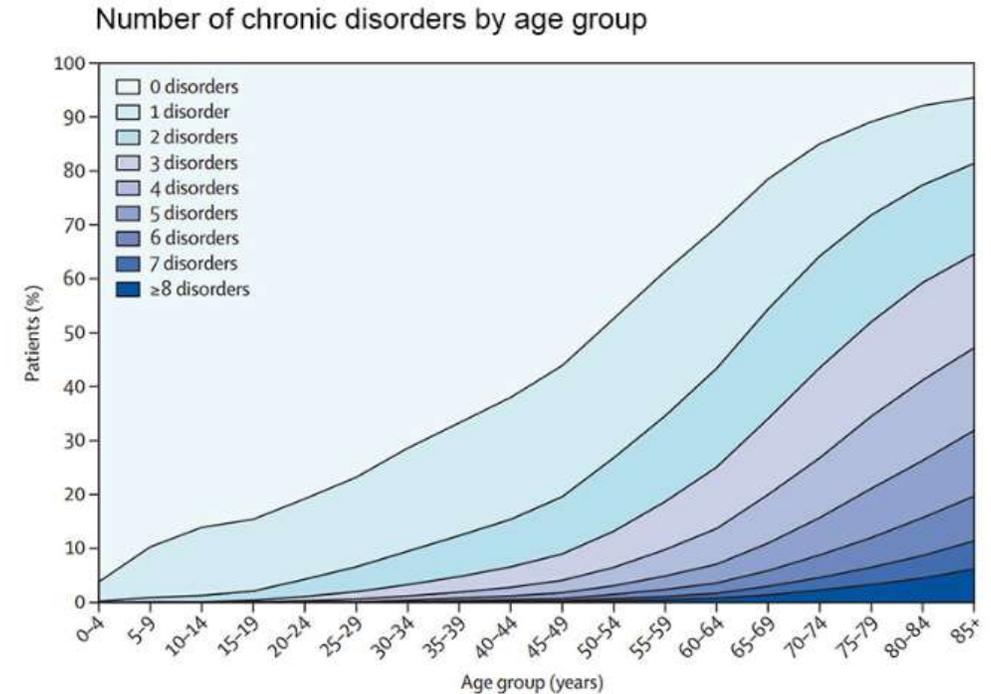


FIG.: DEMOGRAPHIC PROJECTIONS AND GROWTH OF CARE DEPENDENCY

# \* I. REVIEW OF THE GENERAL CONTEXT

## - B. Increase in complexity of care needs

- Growth in co-morbidity (graph with ex. for Scotland)
- 50% of Belgian +60 population has at least 3 chronic pathologies (source: Zorgnet VL, WHO)
- 50% of hospital admissions is a case of co-morbidity (source: Zorgnet VL, WHO)
- Of the Dutch population aged 16 to 64 years, 34.1% reported to have at least one long-standing illness or health (source: ICARE4EU)



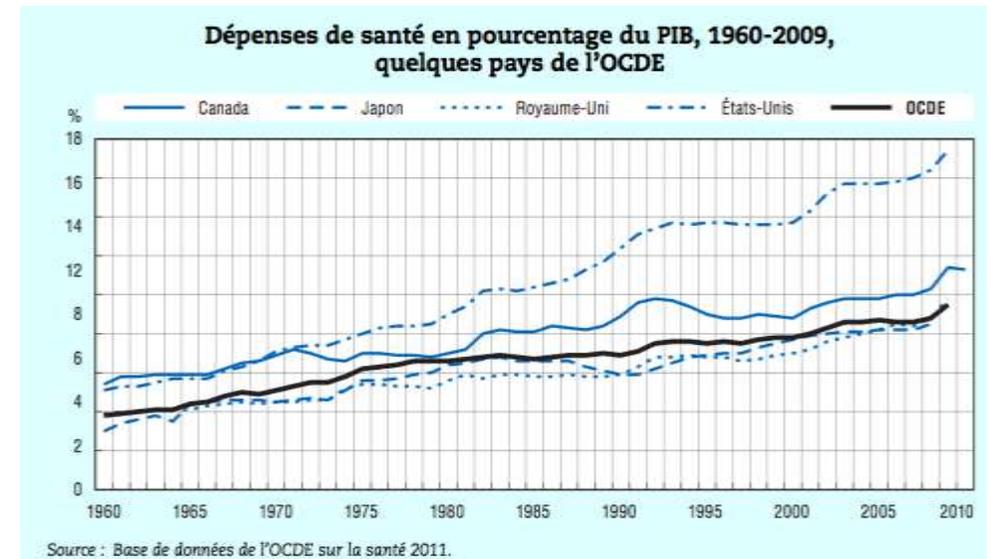
The number of morbidities and the proportion of people with multimorbidity increased substantially with age. By age 50, half of the population had at least one morbidity, and by age 65, most were multimorbid. However, in absolute terms, there were more people with multimorbidity younger than 65 years than 65 years and older. (Source: Barnett K, Mercer SW, Norbury M, Watt G, Wyke S, Guthrie B. "Epidemiology of multimorbidity and implications for health care, research, and medical education: a cross-sectional study," *The Lancet*, 2012)

FIG.: EXAMPLE OF INCREASING COMPLEXITY OF CARE, EMPIRICAL CO-MORBIDITY STATES IN SCOTLAND

# \* I. REVIEW OF THE GENERAL CONTEXT

## - C. Unsustainable costs

- Healthcare spending grew at 4% p.a. across OCECD countries (i.e. at higher rate than economical growth)
- With 10,5% of GDP, Belgium ranks 9<sup>th</sup> on the OECD's "list of health care spenders"
- « without dramatic reforms, Health Care cost will reach 20% of Belgian GDP by 2035 »: Prof. Lieven Annemans



PICT.: GROWTH IN HEALTH CARE SPENDING AS % OF GDP SINCE 1960 IN OCDE

# \* I. REVIEW OF THE GENERAL CONTEXT

## - A. Obsolete care infrastructure

Our average current hospital is extremely costly to operate as it

- was designed in periods with very long stay lengths (« ALOS »). Today's ALOS are decreasing dramatically and ambulatory care is on the rise everywhere.
- « does everything everywhere » irrespective of complexity and experience. Elective care should be separated from complex care
- Tends to operate independently from other operators in the care chain, focussing primarily on acute care (e.g. Acute hospitals struggling to avoid readmissions during a stroke episode)

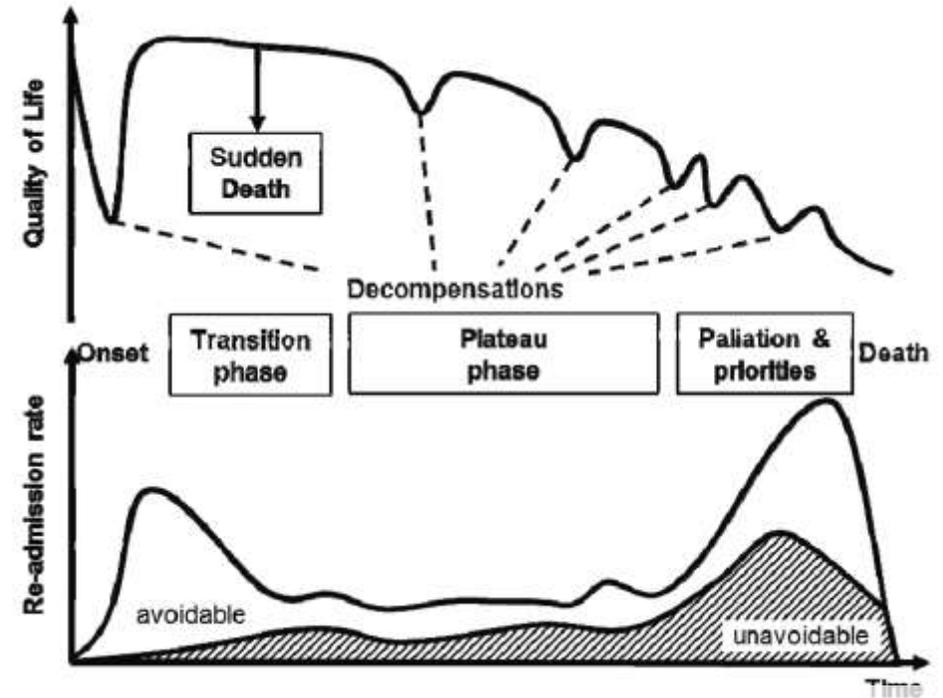


FIG. : THE BURDEN FOR HOSPITALS OF MANAGING COMPLEX CARE. THE ABSENCE OF INTEGRATED CARE CAUSES AVOIDABLE READMISSIONS DURING A HEART FAILURE EPISODE (SOURCE: MDPI/ SENSORS)

## \* II. DISRUPTING THE CARE SUPPLY MODEL

### - A. Declustering the hospital

- The layer Model of TNO :

Each hospital uses different types of buildings with different life cycles and different operation/construction cost. Hospitals separate these functions physically to optimise of life cycle costs.

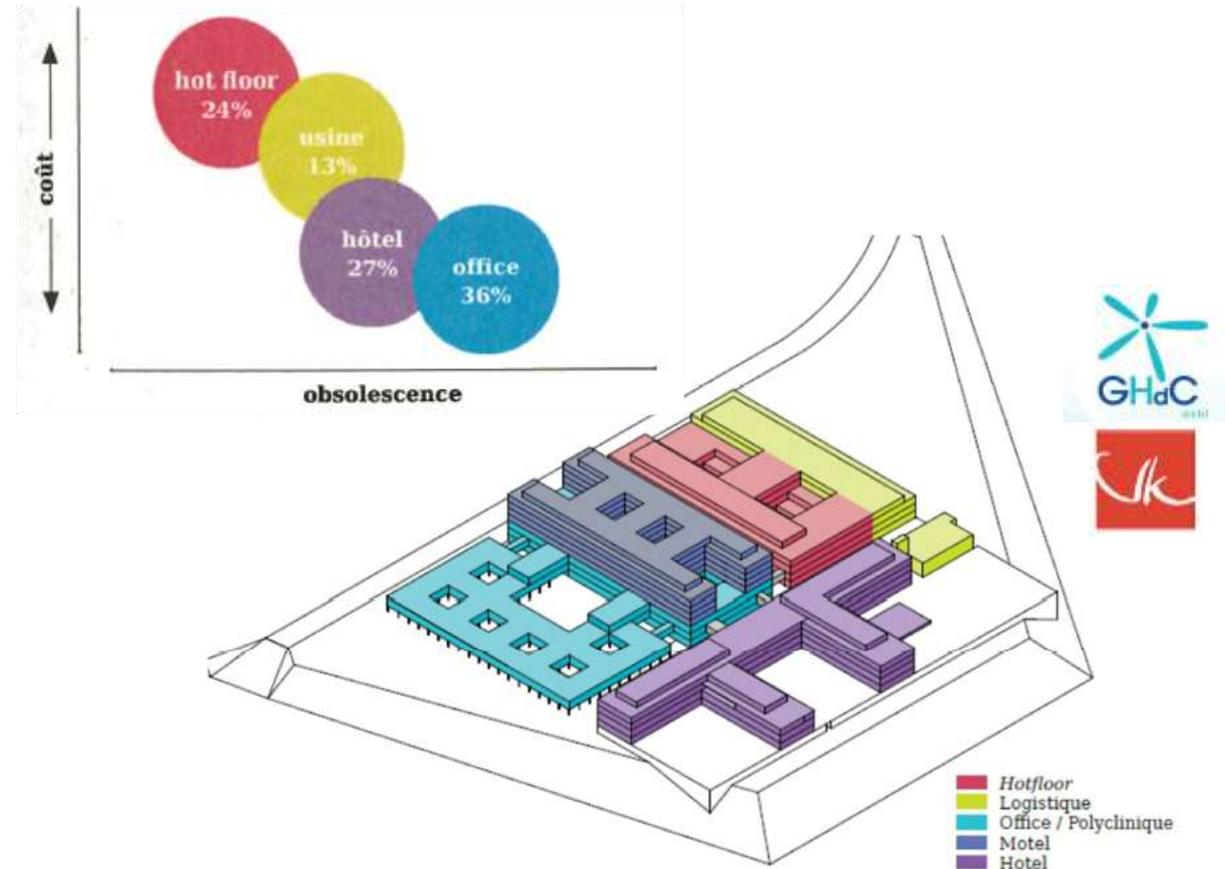


FIG.: THE MASTERPLAN OF THE NEW HOSPITAL OF THE "GRAND HOPITAL DE CHARLEROI", INSPIRED AROUND FUNCTIONAL LAYERS

## \* II. DISRUPTING THE CARE SUPPLY MODEL (CONT'D)

### - B. Vertical care integration

- Treatment of co-morbidity and chronic illness requires an integrated network around a patient 's condition
- Hospitals will be incentivised to coordinate the network in order to relief the burden on their emergency departments
- In a network, Primary care centres play an essential role as they keep responsibility for monitoring the global patient's health condition through the entire pathway

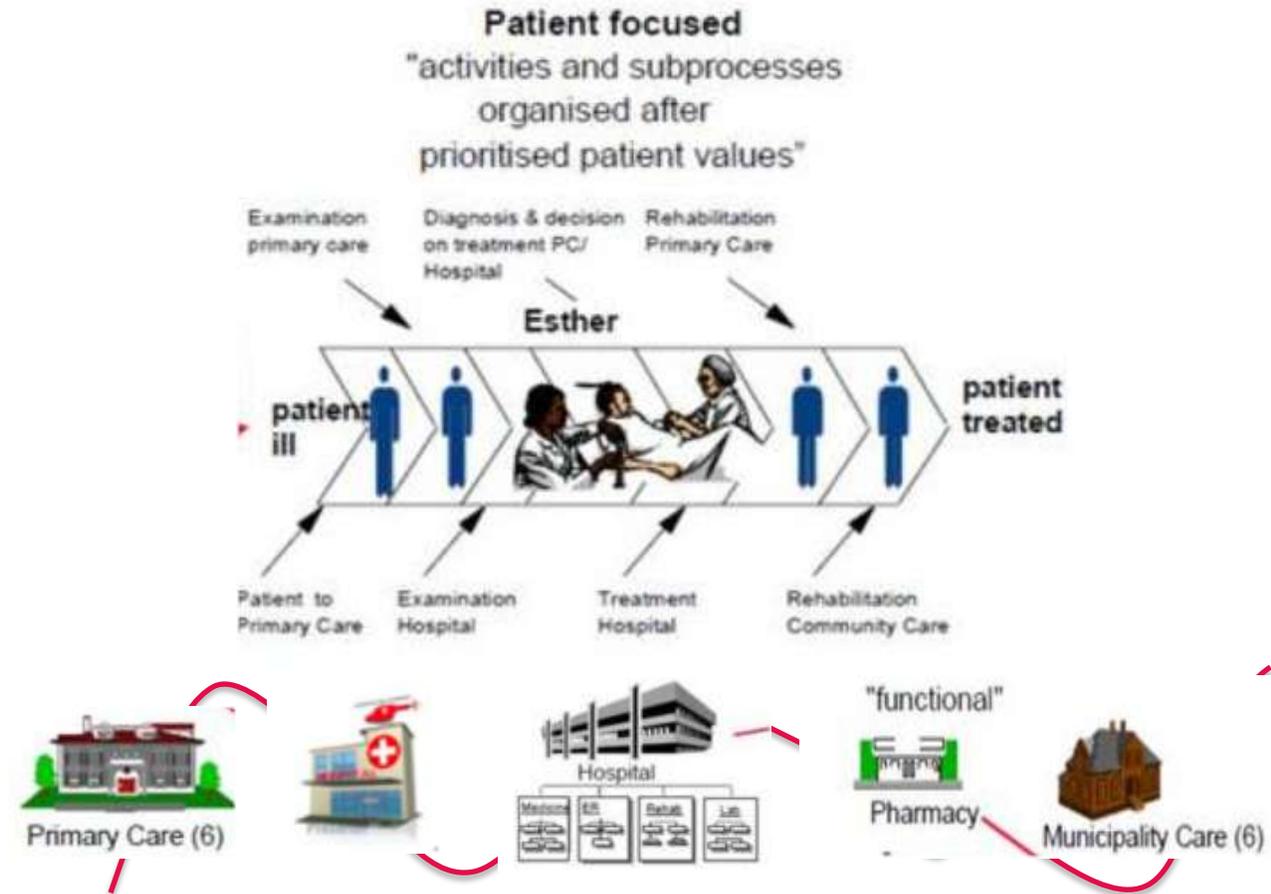


FIG.: THE ESTHER PROGRAM, EXAMPLE OF AN INTEGRATED NETWORK IN SWEDEN

## \* II. DISRUPTING THE CARE SUPPLY MODEL (CONT'D)

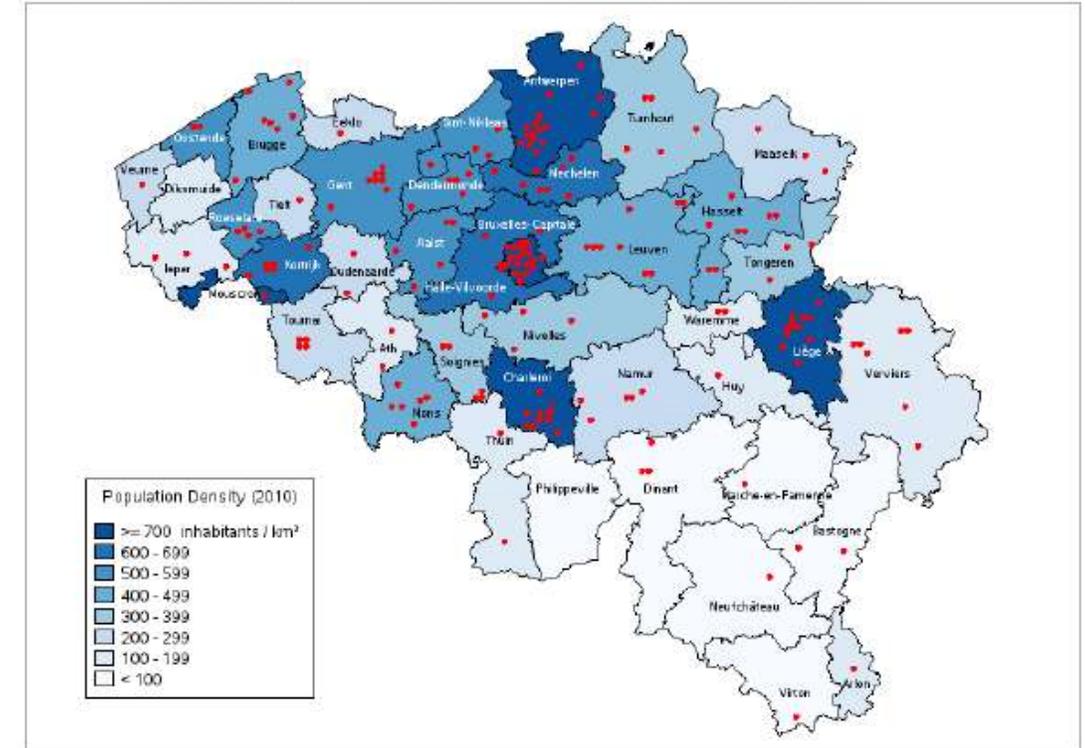
### - C. Horizontal care integration

- Germany, Belgium and the Netherlands rank in the top 5 of OECD countries with the most acute care beds /inhabitants;
- Care will increasingly be planned on a supra-regional level in order to prevent fragmentation of capacity and specialist beds;
- The introduction of minimum production volumes to perform specialist care will require hospitals to collaborate (ie avoid duplication of specialist care).

KCE Report 229

Hospital Payment Reform

Figure 3 – Geographical distribution of acute hospital sites in Belgium, 2013



Source: FOD-SPF

PICT: LOCATIONS OF HOSPITALS IN BELGIUM AS AN EXAMPLE OF FRAGMENTATION OF CARE

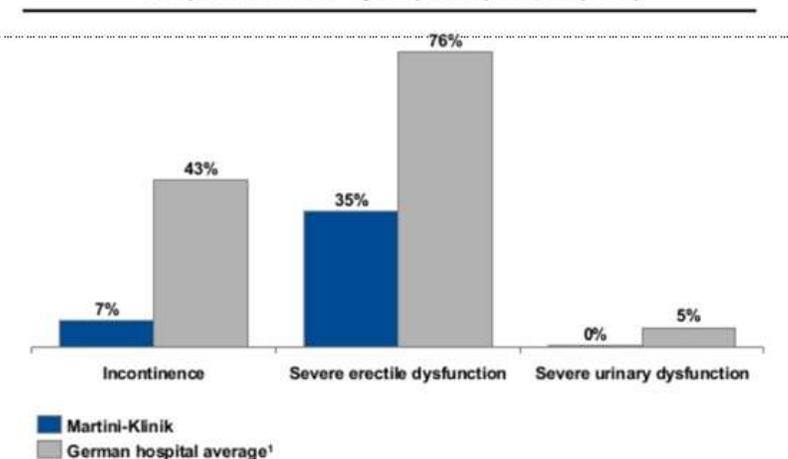
## \* II. DISRUPTING THE CARE SUPPLY MODEL (CONT'D)

### - D. Rise of reference centres

- Hospitals create reference centres in an attempt benefit fully from the experience curve (Kluft: “there is positive relationship between treatment volume and quality of care”).
- Examples around Europe (e.g. Martini Klinik linked to the Hamburg University) provide empirical evidence of the superior results obtained by “focussed factories” which are managed independently from the general hospital;
- Reference centers will be created to focus both on complex care (eg Martini) and elective care procedures(eg Dutch ZBC’s);



Complication rates 1 year post-operation (2012)

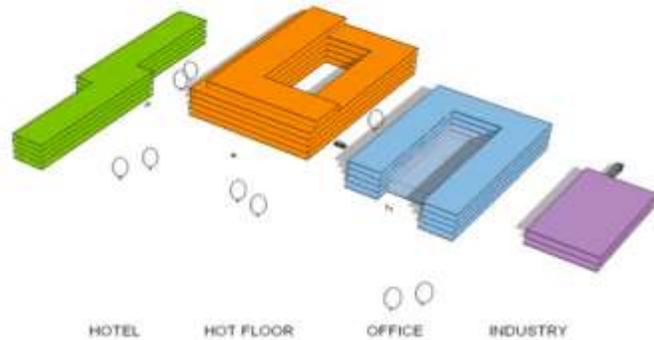


In surgery at least, there is an experience curve: for every doubling of experience (volume), quality improves by ~15%

PICT: MARTINI KLINIK IN HAMBURG REACHING SUPERIOR RESULTS AS A CONSEQUENCE OF FOCUS ON PROSTATE ONCOLOGY

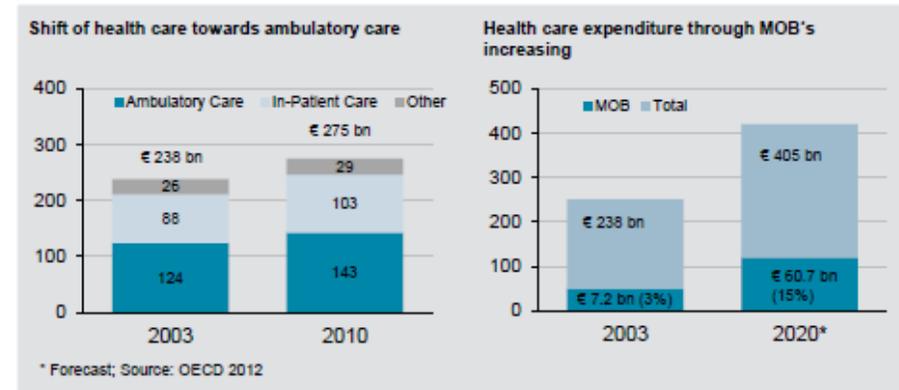
# \* III. CONCLUSION – NEW CARE INFRASTRUCTURE NEEDS

Declustering of hospitals:



PICT: SEPARATED FUNCTIONS CREATE NEW SALE & LEASE BACK POSSIBILITIES ON HOSPITAL CAMPUSES

Vertical integration:



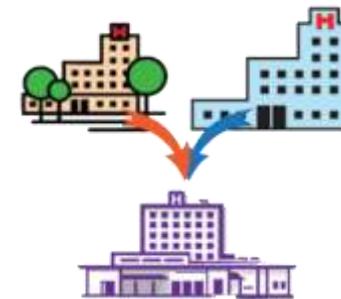
PICT: ILLUSTRATION OF GROWTH OF AMBULATORY CARE EXPECTED NEED FOR MOB'S IN GERMANY

Elective care & Reference centers:



PICT: NEW NEEDS ARE CREATED FROM A TENDENCY TO SPECIALIZE TREATMENT

Horizontal integration:



PICT: OPERATIONAL EFFICIENCY CONCERNS USUALLY LEAD TO NEW FACILITY REQUESTS FOLLOWING HOSPITAL MERGERS

# \* III. CONCLUSION

## - Our strategy :

### France and Belgium

Highly competitive environment



Opportunities in

- Continued organic growth through extensions and repositioning of current assets
- Cure segment through new needs from hospital mergers and de-clusterings (medium term)



### The Netherlands

Low competition from banks or institutional investors.

However, increased risks due to changing legal environment



Opportunities in

- cure segment through the further development of reference centres and hospital de-clusterings
- Primary care segment through the rapidly evolving need for MOB facilities
- long term care through the arising private segment (and further development of our network)



### Germany

Competitive but geographically diverse market with challenging demography and need LT care



Opportunities in

- long term & rehab care through the consolidation of German operators
- Primary care segment through the rapidly evolving need for MOB facilities

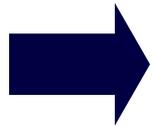


# High end elderly care



**DOMUS MAGNUS**

Amsterdam, 23 - 9 - 2015



## **1. Introduction Domus Magnus**

2. Care and real estate

3. Questions

# WHERE IT ALL STARTED



DOMUS MAGNUS



**Chateau de Montmélian,**  
Fontainebleau

# WHERE IT ALL STARTED



DOMUS MAGNUS



# WHERE IT ALL STARTED



DOMUS MAGNUS



# TRADITIONAL CARE DOESN'T MATCH CUSTOMER NEEDS



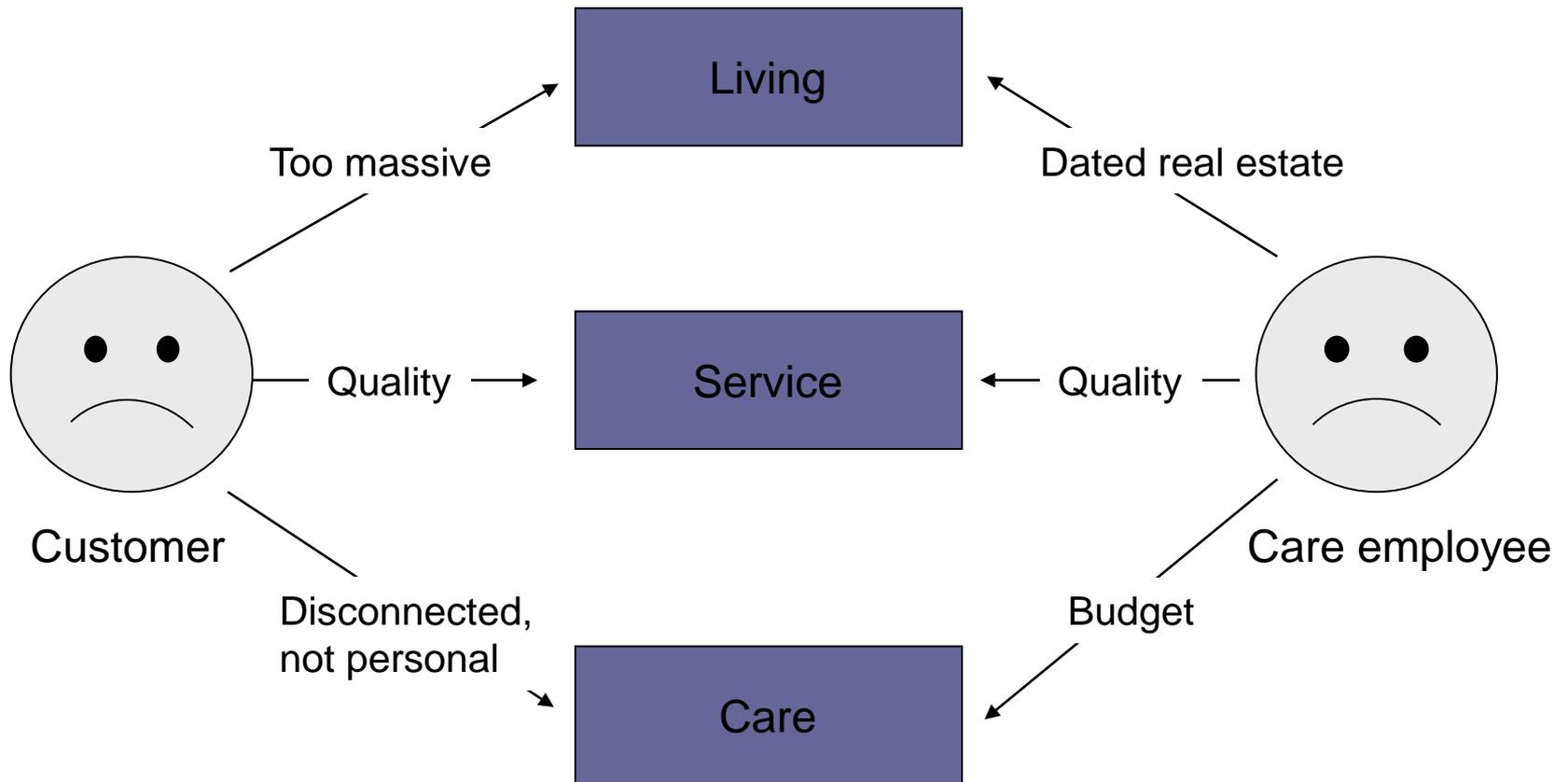
DOMUS MAGNUS

<u>Element traditional care</u>	Customer gets this...	... but wants this
<b><i>Living</i></b>	<ul style="list-style-type: none"><li>▪ Huge complexes (200-300 apartments)</li><li>▪ Small rooms</li><li>▪ “One size fits all”</li></ul>	<ul style="list-style-type: none"><li>▪ <b>Small scale settings</b></li><li>▪ <b>Spacious apartments</b></li><li>▪ <b>Like minded co-inhabitants</b></li></ul>
<b><i>Service</i></b>	<ul style="list-style-type: none"><li>▪ Industrial kitchen</li><li>▪ Large scale: no room for custom made tailoring</li></ul>	<ul style="list-style-type: none"><li>▪ <b>Normal, home made meals</b></li><li>▪ <b>Tailored services</b></li></ul>
<b><i>Care</i></b>	<ul style="list-style-type: none"><li>▪ Production oriented instead of customer focussed</li><li>▪ Little room for personal attention</li></ul>	<ul style="list-style-type: none"><li>▪ <b>Personal, service oriented attitude</b></li><li>▪ <b>Room for personal touch</b></li></ul>

# DISSATISFACTION TRADITIONAL CARE



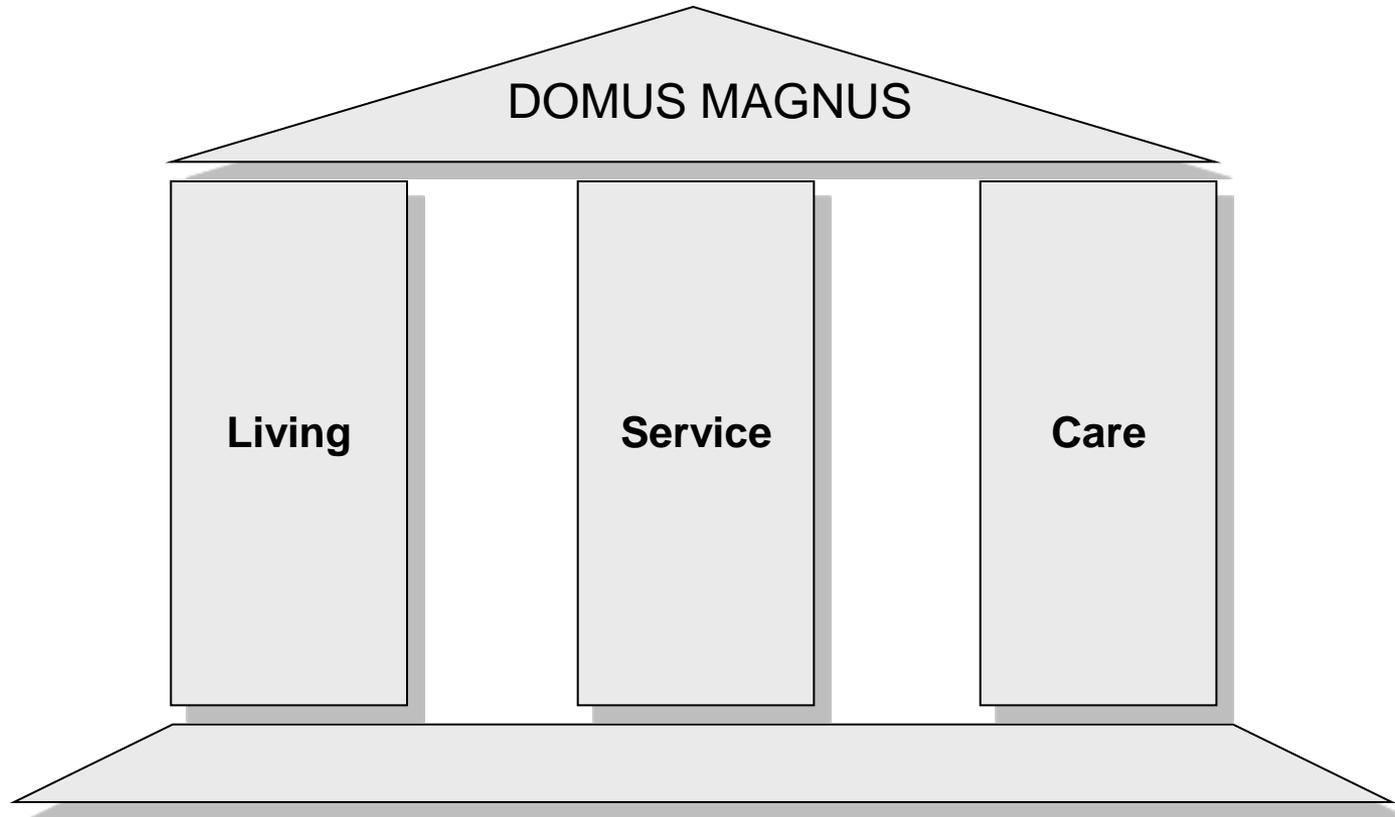
DOMUS MAGNUS



# THE DOMUS MAGNUS CONCEPT



DOMUS MAGNUS



**GOAL:**

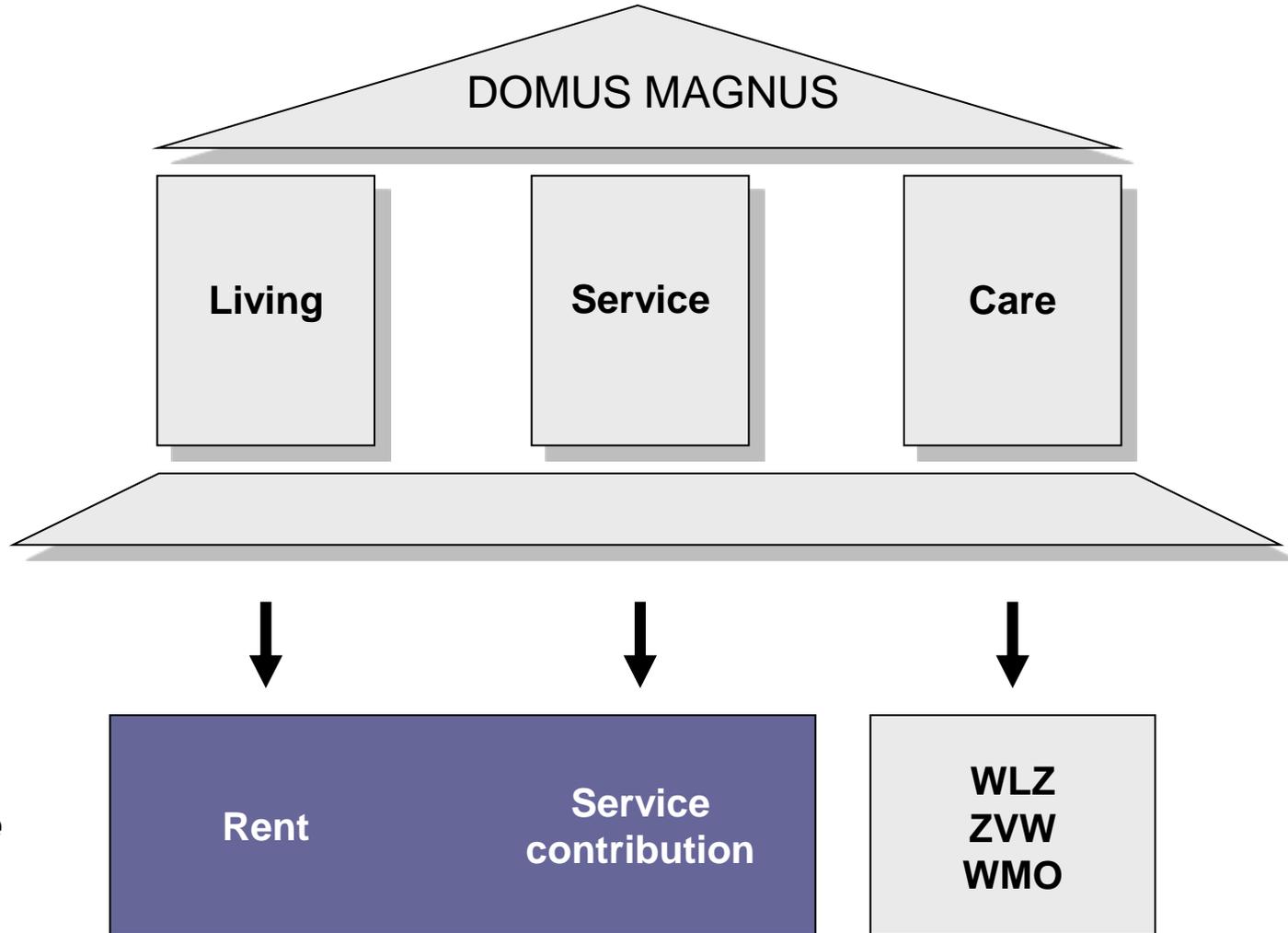
Maintaining lifestyle

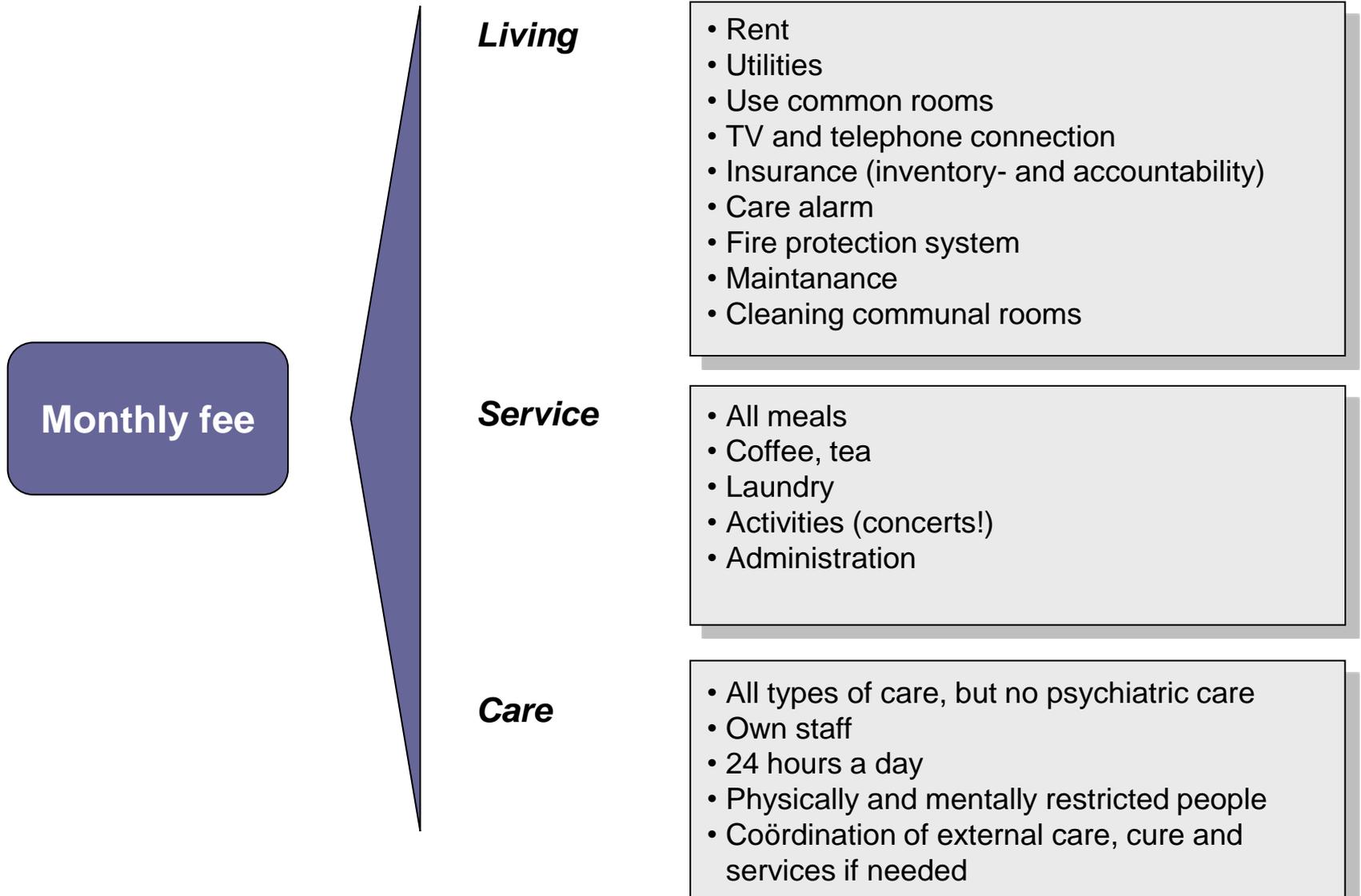
Personal,  
tailored care

# DOMUS MAGNUS: PRIVATE CARE?



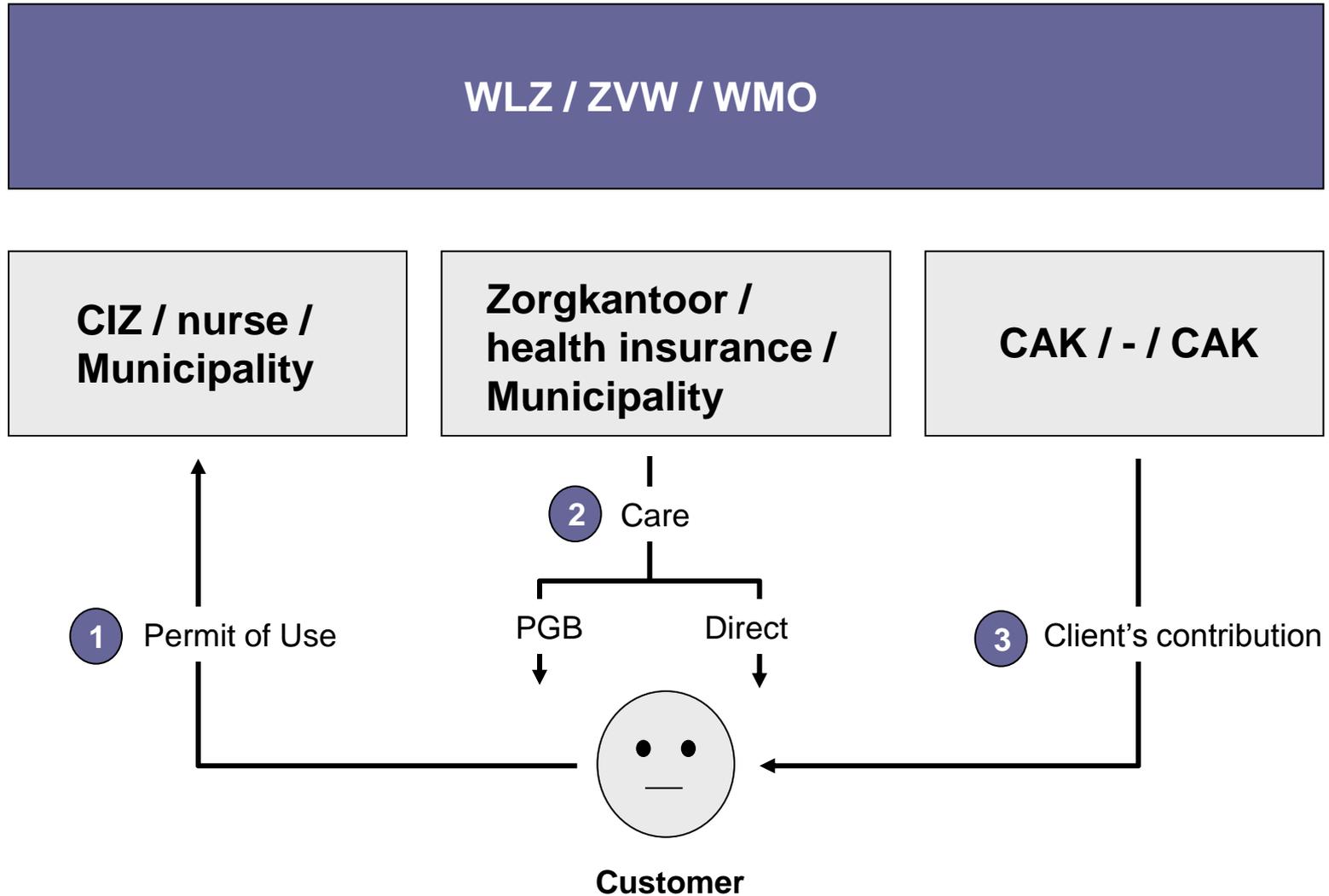
DOMUS MAGNUS

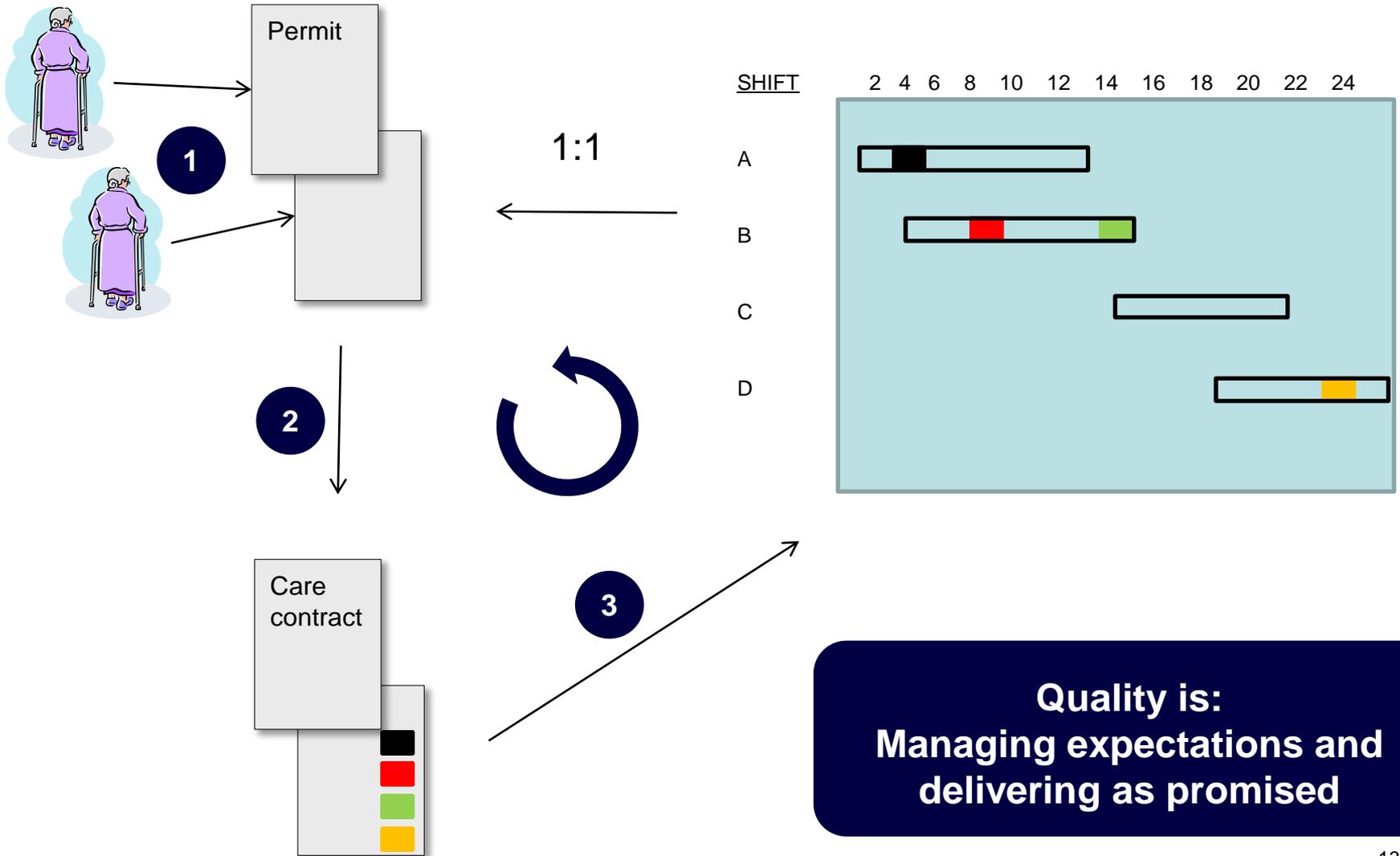






# HOW IT WORKS: WLZ / ZVW AND WMO



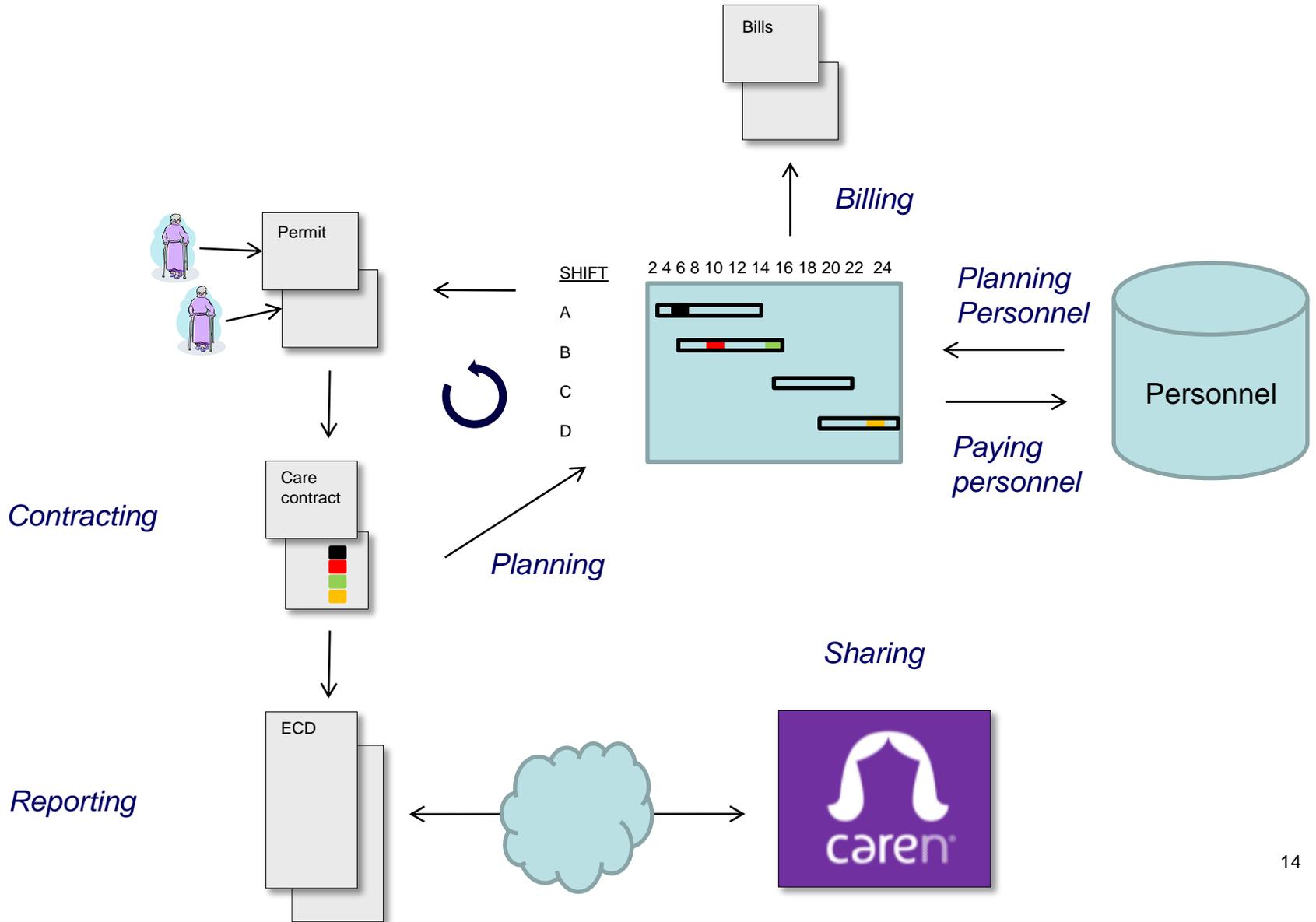


**Quality is:  
Managing expectations and  
delivering as promised**

# ONE IT-SYSTEM COVERS ENTIRE PROCES



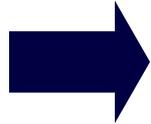
DOMUS MAGNUS





- Average 80-85 years old
- 85% single
- Needs care: is looking for an alternative to traditional care
- Physical and cognitive restrictions
- Upper class in terms of wealth and/or education and/or background

1. Introduction Domus Magnus



**2. Care and real estate**

3. Questions



2005



2007



2009



2010



2011



2011



2012

# KLEIN ENGELENBURG, BRUMMEN



DOMUS MAGNUS



# KLEIN ENGELENBURG, BRUMMEN



DOMUS MAGNUS



# KLEIN ENGELENBURG, BRUMMEN



DOMUS MAGNUS



# KLEIN ENGELENBURG, BRUMMEN



DOMUS MAGNUS



# KLEIN ENGELENBURG, BRUMMEN



DOMUS MAGNUS



# KLEIN ENGELENBURG, BRUMMEN



DOMUS MAGNUS



# DE MAGISTRAAT, ROTTERDAM



DOMUS MAGNUS



# DE MAGISTRAAT, ROTTERDAM



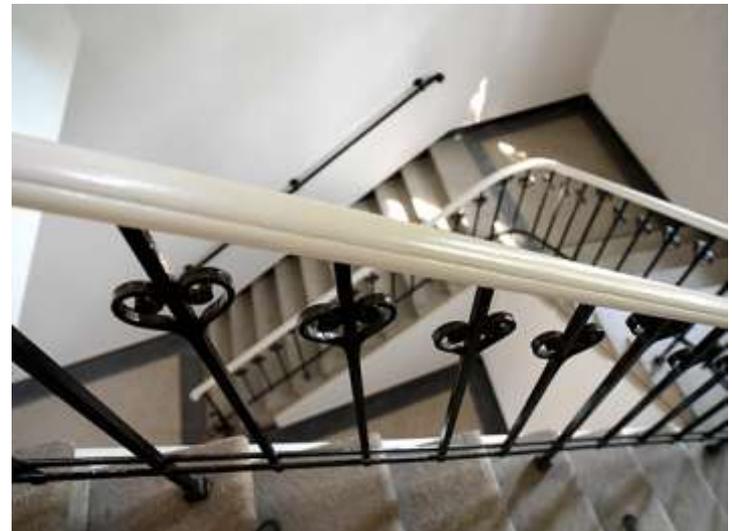
DOMUS MAGNUS



# DE MAGISTRAAT, ROTTERDAM



DOMUS MAGNUS



# HUIS TER WEEGEN, WARNSVELD



DOMUS MAGNUS



# HUIS TER WEEGEN, WARNSVELD



DOMUS MAGNUS



# DE UYLENBURGH, AMSTERDAM



# DE UYLENBURGH, AMSTERDAM



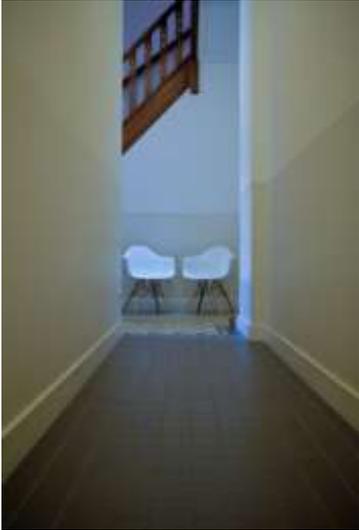
DOMUS MAGNUS



# DE UYLENBURGH, AMSTERDAM



DOMUS MAGNUS



# DE STERRESCHANS, NIJMEGEN



DOMUS MAGNUS



# DE STERRESCHANS, NIJMEGEN



DOMUS MAGNUS



# DE STERRESCHANS, NIJMEGEN



DOMUS MAGNUS



# HUIS WELGELEGEN, WARNSVELD



DOMUS MAGNUS



# HUIS WELGELEGEN, WARNSVELD



DOMUS MAGNUS



# HUIS WELGELEGEN, WARNSVELD



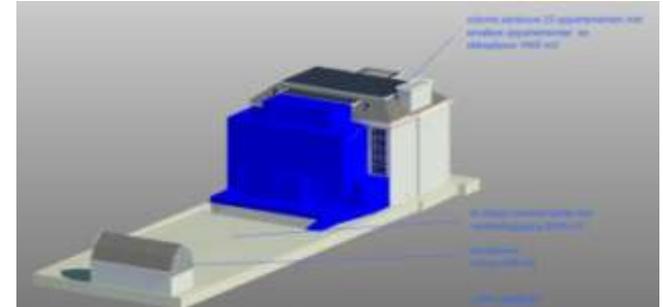
DOMUS MAGNUS



# NEW LOCATION: MALIEBAAN UTRECHT



DOMUS MAGNUS



# NEW LOCATION: POLIKLINIEK DEN BOSCH



DOMUS MAGNUS



# OUR LOCATIONS

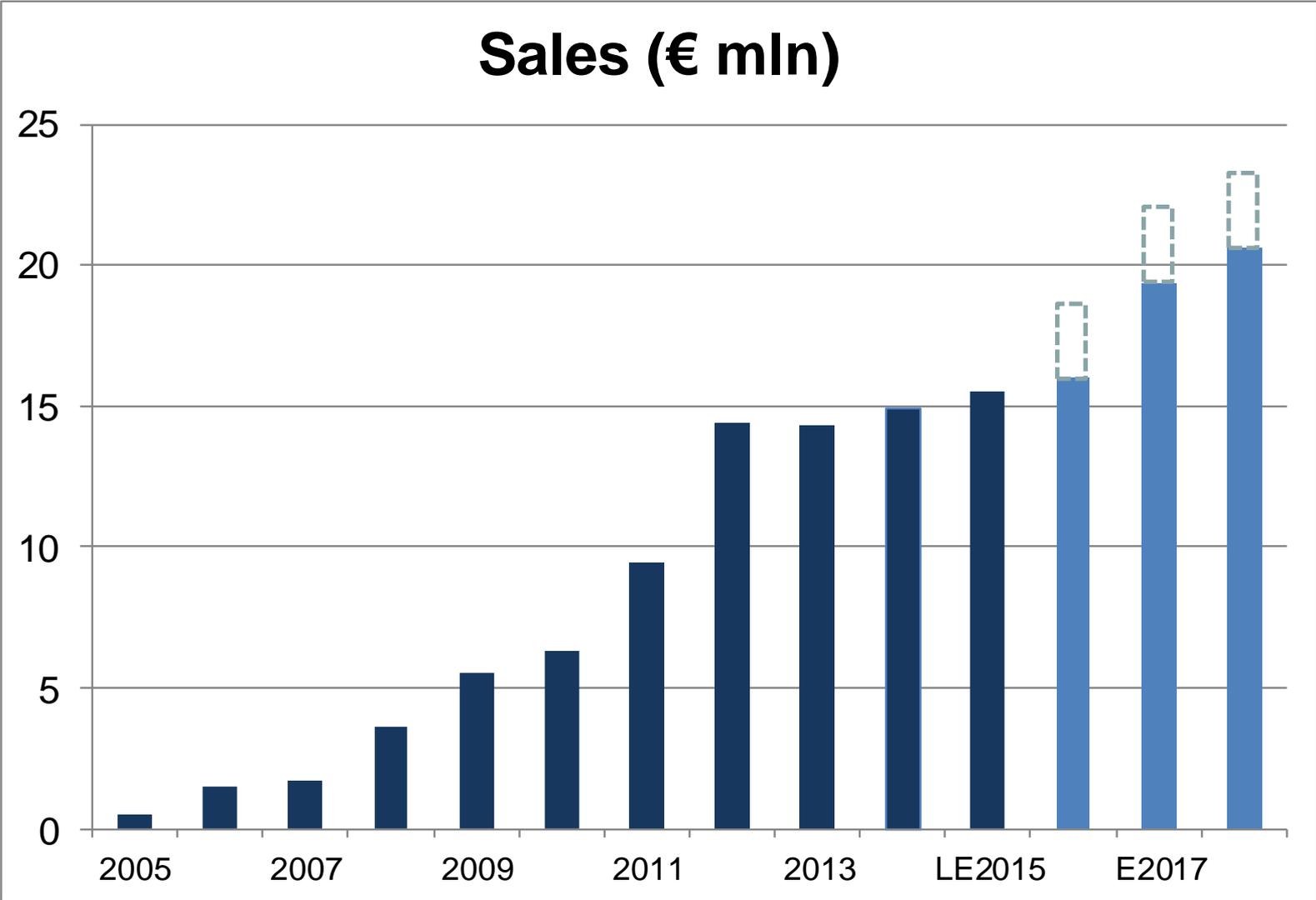


DOMUS MAGNUS

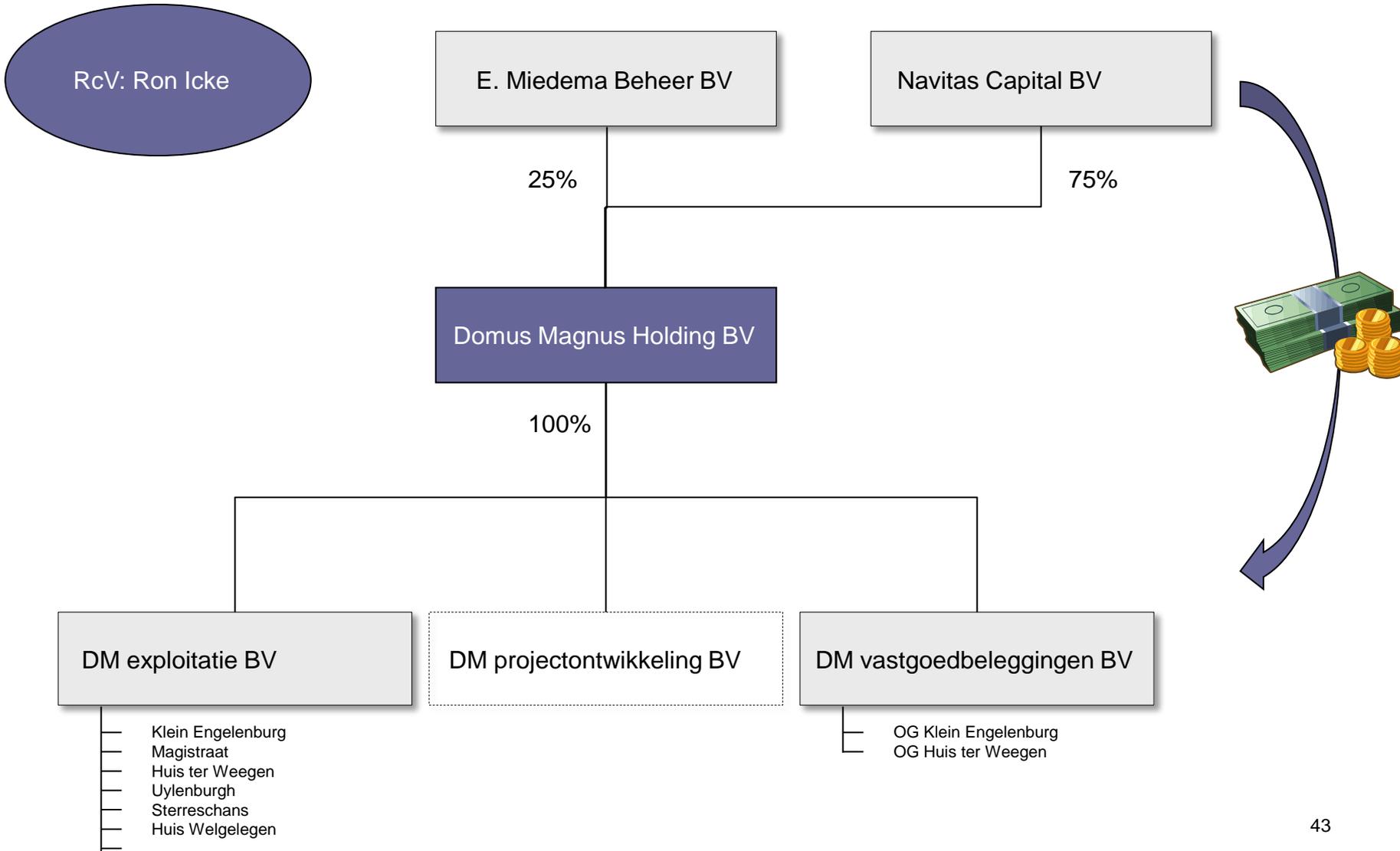




# TURNOVER KEEPS GROWING....



# ORGANISATION

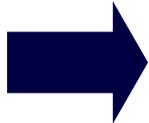


- Bestaand monumentaal vastgoed of mogelijkheid om monumentale nieuwbouw te plegen
- 2000-5000 M2 bvo
- 20-50 appartementen
- Appartementen gemiddeld 75 m2 bvo, rest oppervlak voor alg ruimten
- Elk appartement eigen woonkamer, slaapkamer, badkamer (groot!) en pantry
- Alles drempelloos (voor deur, badkamer: nergens drempels)
- Regio Haarlem, Regio Amsterdam, Regio Utrecht, Regio Den Bosch
- Goede interne ontsluiting
- Hoge efficiëntie (bvo/vvo verhouding)
- Mogelijkheid in mooiste en meest centrale ruimten de gemeenschappelijke voorzieningen aan te brengen (Eetzaal, woonkamer, activiteitenruimte, kantoor, receptie, overlegkamer, keuken, wasvoorziening)
- Veel lichtinval
- Borstwering laag (< 60 cm)
- Geen interne hoogteverschillen
- Drempelloze toegang
- Tuin minimaal 500 m2
- Beschutte ligging (zoals De Uylenburgh)
- Mogelijkheid tot inbouwen volwaardige lift
- Brandmeldinstallatie
- Volwaardig zorgoproepsysteem met spreekluisterverbinding
- Toegangsbeheersysteem
- Intercominstallatie
- Cai en Telefoonaansluitingen
- Hoge plinten, ook in appartementen
- Aandacht voor hoogwaardige afwerking betimmering (kozijnen, lambrisering gangen)
- Thermostaat verwarming
- Zonwering
- Vloerverwarming
- Hoog afwerkingsniveau (badkamers met grote tegels en designradiatoren, hoogwaardige keukens, etc.)

1. Service, care and real estate is a good combination
  - It is a fast growing market
  - It is predictable in size
  - The baby-boom generation is above average wealthy
  - There is willingness to pay extra for real estate, when service and care are included
2. Care homes, especially the high end ones like Domus Magnus, can compete with other sectors like residential living, hotels or business lease when it comes to rental revenue per square meter in relation to the overall real estate investment
3. Care is starting to become a real estate sector on its own
4. The quality of the operator (tenant) is crucial, as it is in all sectors
5. The competition on the investor side is increasing: institutional investors are moving in fast, private funds and private equity is already there
6. In the Netherlands, the room for operator growth is huge. Consolidation of players will follow eventually, but at this point is not a necessity
7. Domus Magnus is THE example in the high end market. New initiatives are numerous, especially in the middle and low-end market.

1. Introduction Domus Magnus

2. Care and real estate



**3. Questions**



DOMUS MAGNUS

*The end*

# ASPRIA & COFINIMMO: AN OVERVIEW

# \* CLUB ROYAL LA RASANTE - BRUSSELS



<b>Date of acquisition</b>	17.10.2007
<b>Year of construction/renovation</b>	2005
<b>Surface area</b>	7,000 m <sup>2</sup>
<b>Amenities</b>	Gyms, tennis courts, pool, sauna, spa
<b>Lease length</b>	30 years (end of lease : 2045)
<b>Lease type</b>	Triple net
<b>Acquisition price</b>	34.8 million EUR
<b>Initial yield</b>	5.75 %

# \* CLUB ULHENHORST - HAMBURG



<b>Date of acquisition</b>	05.06.2015
<b>Year of construction/renovation</b>	2012
<b>Surface area</b>	7,800 m <sup>2</sup>
<b>Amenities</b>	Gyms, tennis courts, hockey courts, pool, sauna, spa
<b>Lease length</b>	30 years (end of lease : 2045)
<b>Lease type</b>	Double net
<b>Acquisition price</b>	25.4 million EUR
<b>Initial yield</b>	7.60 %

# \* CLUB MASCHEE - HANOVER



<b>Date of acquisition</b>	05.06.2015
<b>Year of construction/renovation</b>	2009
<b>Surface area</b>	10,000 m <sup>2</sup>
<b>Amenities</b>	Gyms, beach volley field, pool, sauna, spa
<b>Lease length</b>	30 years (end of lease : 2045)
<b>Lease type</b>	Double net
<b>Acquisition price</b>	28.1 million EUR
<b>Initial yield</b>	7.60 %

# \* CLUB ROOSEVELT - BRUSSELS

- Acquisition of the site by Aspria in 2014
- Agreement between Aspria and Cofinimmo to develop a new club
- At the delivery of the works, signature of a long-term lease between Cofinimmo and Aspria
- Estimated budget: 30 - 35 million EUR



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ASPRIA  
Be More

# Cofinimmo Investor's Meeting

September 2015

# Foundations



**Brian L Morris**  
Co-Founder and Chief Executive Officer

- “At Aspria, our aim is to provide a unique, exclusive and high quality service environment for our members and their guests.
- We create clubs where members feel at home – the ‘third place’ principle. A place where they enjoy spending time and feel they belong.
- We offer cultural, sporting, relaxational and social activities – in one single stylish location.
- Our clubs are convenient destinations to stay in the City for business or pleasure, somewhere to relax and recharge, havens of quality and calm, where business is a pleasure and where style meets professionalism.
- We are expanding in key cities and countries around the World creating a network of clubs.
- We are the leader in providing healthy hospitality for our members, guests and an extensive network of corporate partners.

# The Aspria Proposition

- ✓ **Portfolio of eight premium clubs**

Average of 10,000 sqm / 110,000 sq.ft. club buildings

- Prestigious Locations – many are the best in their respective cities
- Newest club opened in Hamburg in Q1 2012

- ✓ **Multiple Award winning brand**

- ✓ **Established and Expanding Premium Accommodation Component**

80% occupancy and over 90% during working week

- Aspria Senior Management have over 30 years industry experience



# Where is Aspria?



The founders of Aspria have chosen to develop and operate within a **high-end** niche of a rapidly expanding global healthy hospitality industry.

Targeting a combination of **European cities** and also higher growth sites in **stable but progressive countries**, provides not only robust earnings and extensive growth opportunities but longevity of returns for decades.

Aspria is built on the premise of **quality rather than quantity**, exploiting **unique locations** and a rare talent for site identification and cost effective development.

The Group, therefore, represents a unique group of clubs in prime locations that led to an obvious 'fit' with Cofinimmo given their strong preference for acquiring and managing the best located properties.

# Who are our potential members?

## Premium market positioning

There is an ageing demographic in Europe as well as a general increase in disposable income.

Therefore, at Aspria, we target:

- Affluent AB social group 'Mass Affluent' (less volatility, reduced economic sensitivity and greater depth for ancillary spend)
- Accent on professional families and three generations – children, parents and grandparents
- Sufficient disposable income to pay average fees from €60 - €200+/month



Independent research carried out for Aspria shows that there are >30 European cities with socio and demographic profiles that could sustain the development and operation of one or more Aspria clubs. There are many more World-wide.

# Who are our actual members?

Aspria has 34,000 discerning adult members including:

- Members of Royal Families
- Prime Ministers
- Stars of Stage and Screen
- Professional Athletes
- CEO's & Business Owners
- 6,000 junior members

Average age of our members : 47

Loyal membership base: 75% retention

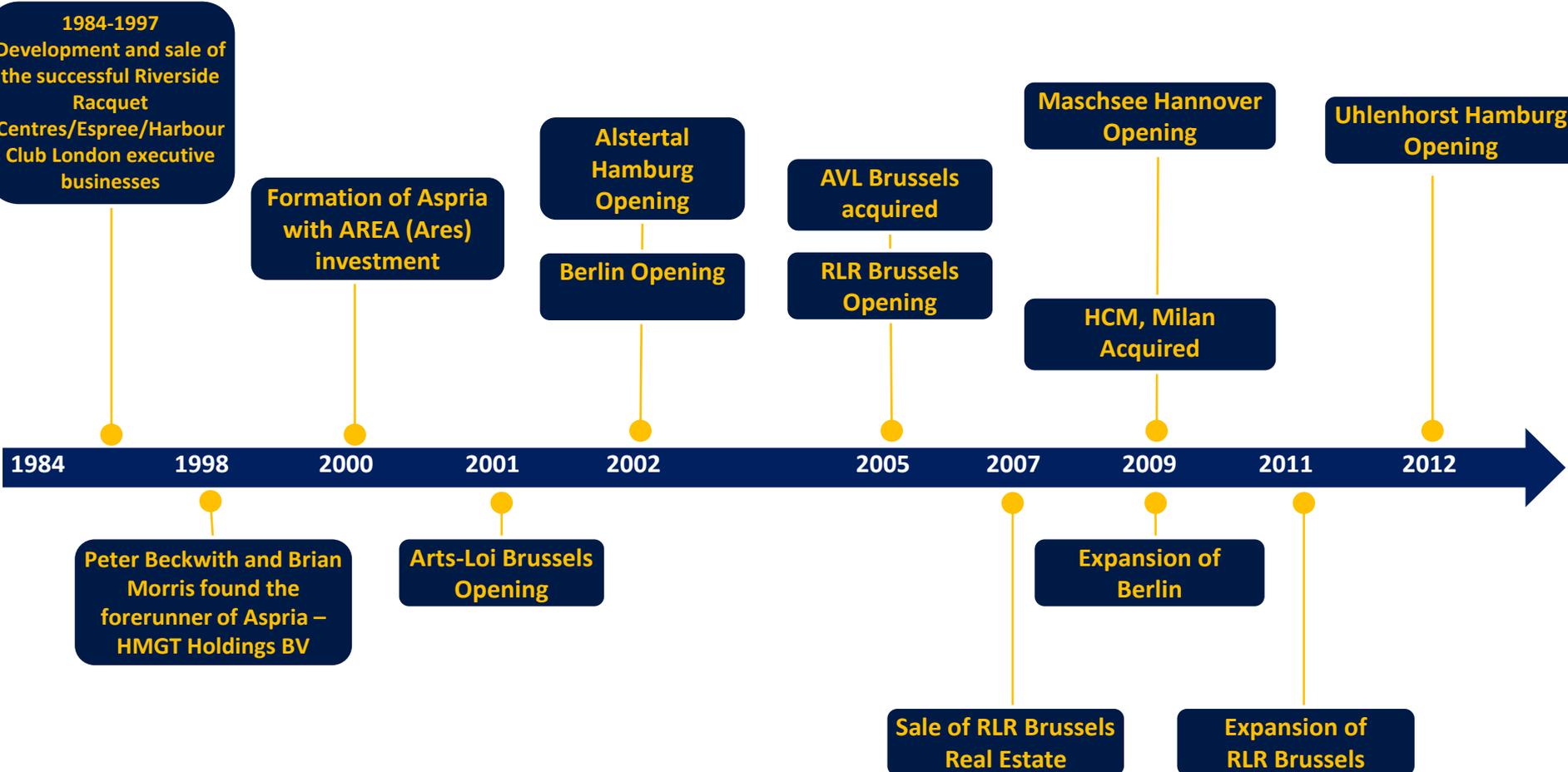


# Healthy Hospitality – ‘Resident Members’

- Aspria has 129 4\*-5\* Boutique Hotel Rooms in 4 existing Clubs
- Stylish and unique club room design
- High occupancy rates
- Accommodation will feature in all new developments e.g. Solvay at 25 keys
- High number of return visitors
- High SEO positioning
- Multiple Trip Advisor awards
- Further existing clubs earmarked for development of hotel accommodation 2016-2020 (c.65 keys)



# Company Background and Evolution



# Belgium

Awarded No. 1 Spa and Club Operator 2009 ASPRIA ROYAL LA RASANTE

ASPRIA ARTS-LOI

ASPRIA AVENUE LOUISE (Steigenberger)

- No 1 Club in Brussels
- Club of the Year in 2009 awarded by Elle Magazine
- No 1 Club in Europe 2010 awarded by European Consumer Choice



# Germany

ASPRIA ALSTERTAL HAMBURG ASPRIA UHLENHORST HAMBURG

- A unique partnership taking 14 years to complete
- 'Europe's Finest Hotel' EFH Award
- Awarded the 2015 Best Day Spa by Diamond Spa



# Germany

## ASPRIA MASCHSEE HANNOVER

- Europe's Finest Spa awarded by Conde Nast Johannsens
- Commended as a Leading Spa of the World
- 7 minutes from Hannover Main train station and 5 minutes from Exhibition Centre



# Germany

## ASPRIA KU'DAMM, BERLIN

- Germany's #1 Club 2008/2009 Award  
by GQ Magazine
- Travellers Choice Award 2012 Trip Advisor



# Italy

## ASPRIA HARBOUR CLUB MILAN

- No. 1 Club in Europe 2011/2012 Award by European Consumer Choice



# New Clubs



# Launching 2017 – Aspria Brussels Roosevelt

- Took 14 years to acquire
- Opening in 2017
- c. €28m investment
- Fourth Club in Brussels
- Confirming Aspria's leading position as operator and investment partner
- Cofinimmo development partnership



# Company Real Estate Structure

## Aspria Holdings BV

### Brussels

**Royal La Rasante\***

Rue de L'industrie

Avenue Louise

**Future Project**

**Solvay  
Sports/Aspria  
Roosevelt SA\***

### Germany

**Alstertal (Hamburg)**

Berlin

**Uhlenhorst  
Hamburg\***

**Hannover \***

### Italy

**Harbour Club Milan**

### Key

Leasehold

Freehold/Long-Leasehold

**\* Cofinimmo /  
Aspria Partnership**

# Investment Thesis consistent with Cofinimmo buy and build strategy and Aspria Senior Management's real estate experience

Attractive, competition resistant assets with limited current or likely future competition

Combination of freehold, long-leasehold and shorter-leasehold assets but all high quality and hard to replace.

Operational Improvements

Multiple areas of improvement identified. Management has already a detailed improvement strategy that it had been unable to implement during 2011-2015. Service standard improvements and IT system upgrades to reduce cost base and deliver marketing / sales improvements are all underway.



# Investment Thesis consistent with Cofinimmo buy and build strategy and Aspria Senior Management's real estate experience

## Financing Improvements

Cofinimmo transaction is enabling Aspria to streamline the corporate structure and deliver a more cost effective Group. The transaction has liberated cash to invest in accretive Capex and operational improvement projects. Cofinimmo will jointly develop assets for both parties benefit.

## Experienced and committed Management Team

Cofinimmo has, de facto, invested in a Senior team with extensive European experience and linguistic capability. Team recently augmented with other experienced operators and appropriate specialists.

## Cofinimmo Value Add

The combination of Aspria and Cofinimmo represent two parties playing to their strengths. Experienced European operators working with experienced European Real Estate Investors.

# ASPRIA

Q & A  
session

# PROPERTY TOUR

COFINIMMO INVESTOR DAY  
AMSTERDAM, 23.09.2015

**Cofinimmo**  
together in real estate

# \* 'THE NY STEAKHOUSE / LE PUB'



<b>Year of construction/renovation</b>	2009
<b>Surface area</b>	280 m <sup>2</sup>
<b>Description</b>	Ground floor: 'Le Pub' café Floor 1: 'The NY Steakhouse' restaurant Floor 2: storage area Floor 3: reception area Floor 4: kitchen area
<b>Tenant</b>	AB InBev
<b>Initial lease length</b>	27 years, with 2 possible 9-year extensions
<b>Lease type</b>	Double net

# \* 'DE UYLENBURGH' NURSING HOME



<b>Year of construction/renovation</b>	2011
<b>Surface area</b>	3,340 m <sup>2</sup>
<b>Number of units</b>	31
<b>Tenant</b>	Domus Magnus
<b>Initial lease length</b>	17 years
<b>Lease type</b>	Triple net
<b>Acquisition price</b>	16.6 million EUR
<b>Initial rental yield</b>	5.91 %

# \* BERGMAN CLINIC - NAARDEN



<b>Year of construction/renovation</b>	2010
<b>Surface area</b>	5,800 m <sup>2</sup>
<b>Amenities</b>	4 operating theatres, medical diagnosis facilities, 10 consultation rooms, 12 recovery-room beds and 40 private hospital wards
<b>Tenant</b>	Bergman Group
<b>Initial lease length</b>	15 years, with possible 10-year extension
<b>Lease type</b>	Triple net
<b>Acquisition price</b>	11.5 million EUR
<b>Initial rental yield</b>	7.20 %

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**AB INBEV  
&  
COFINIMMO  
SALE & LEASE BACK  
2007 - 2015**

**Cofinimmo**  
together in real estate



# INTRODUCTION

In 2007, first sale and leaseback of a distribution network with the acquisition of the portfolio of AB Inbev by Pubstone

- Investment value : 419 millions EUR;
- Over 1,000 pubs in Belgium and the Netherlands;
- One tenant : AB InBev;
- Initial lease term : 23 years;
- No exploitation risk for Pubstone (borne by AB InBev);
- Obligations : structural maintenance in Belgium, double net lease in the Netherlands;
- Property and Project Management in Belgium and the Netherlands;
- Collaboration with the real estate team of AB InBev;
- Gross initial yield : 6.6 %.



# MAIN CONTRACTUAL DIFFERENCES PER COUNTRY

	Belgium	Netherlands
Maintenance & capex obligations	Structural, roofs and outside painting of the buildings	Double net - Structural, roofs and outside painting of the buildings, including technical installations
Break options	<p>Starting from 01.11.2013, AB InBev can terminate individual leases at its choice, representing max 1.75 % of the passing rent of the entire portfolio, but under the following conditions:</p> <p>** the building must be empty and without any sublease.</p>	<p>Starting from 01.11.2013, AB InBev can terminate individual leases at its choice, representing max 1.75 % of the passing rent of the entire portfolio, but under the following conditions:</p> <p>** the building must be empty and without any sublease; and</p> <p>** the termination is only possible at each five-year period of the sublease (between lessee: AB InBev and sub-lessee: pub operator), with an advance notice of one year.</p>

# \* WORKS & PROJECTS

- Annual average of maintenance & capex interventions : between 750 and 800
- Annual budget maintenance and capex : +/- 3 MEUR

Building Leidseplein 2 – Amsterdam : planification of works :

- Renovated in 2008 & 2009 with publicity
- Theoretical period between two major maintenance/capex expenses : +/- 7 years
- Painting external walls , balconies ,... : foreseen in 2016-2017





# BREAK OPTIONS

Break date	Vacated pubs	Follow-up
<b>Belgium</b>		
Vacated on 01.11.2013	11 pubs	7 pubs sold 3 pubs with sales agreement 1 pub vacant
Vacated on 01.11.2014	16 pubs	9 pubs sold 2 pubs with sales agreement 5 pubs vacant
<b>Netherlands</b>		
Vacated in 2012	1 pub	1 pub vacant
Vacated in 2013	2 pubs	2 pubs sold
Vacated in 2014	3 pubs	1 pub sold 2 pubs vacant
Vacated in 2015	3 pubs	3 pubs vacant
<b>Total</b>	<b>36 pubs</b>	<b>19 pubs sold</b> <b>5 pubs with sales agreement</b> <b>12 pubs vacant</b>

– An average gain of 1.5 % was realised on the 19 disposals of vacated pubs.

– An average gain of 26.4 % was realised on the 37 disposals of pubs since the acquisition of the portfolio.

