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## Cofinimmo enters Italy and scales up in Spain

- **First steps in Northern Italy with 6 nursing and care homes**
- **Continued growth in Spain with 18 nursing and care homes**

Cofinimmo (Euronext Brussels: COFB) states that it signed agreements to invest in two funds owning 6 nursing and care homes in Northern Italy and to invest in a portfolio totaling 18 nursing and care homes in Spain. Both transactions have just been closed. The conventional values of the portfolios in Italy and Spain amount to approximately 190 million EUR and 150 million EUR each, resulting in a total investment of approximately 340 million EUR with a gross rental yield of above 5%.

On 15.03.2021, Cofinimmo announced that it entered in exclusive negotiations in order to potentially invest in these two portfolios. Today's press release signifies the successful conclusion of aforementioned negotiations.

These investments are not included in the 2021 investment estimate as published in section 11.1 of the press release dated 28.04.2021.



Nursing and care home – Padua (Italy)



Nursing and care home – Villaralbo (Spain)

**Jean-Pierre Hanin, CEO of Cofinimmo:** *“With our entry into Italian healthcare real estate and our big step forward in Spain, we realise an important step in the execution of our corporate strategy: to build and to consolidate our leadership position in European healthcare real estate. We strengthen our partnership with tenants such as DomusVi and Korian. We are also delighted to welcome KOS and Codess Sociale as new partners.”*

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## 1. Status of the Italian nursing and care home sector

Italy enjoys the second highest life expectancy at birth in the EU after Spain (83 years, which is 2 years above the EU average). More than 23% of Italy's 60 million inhabitants are aged 65 and older. This percentage is forecast to increase to over 27% by 2030.

Italy has one of the lowest nursing home bed capacity in Europe. To reach a capacity comparable to that of most other West European countries, Italy would need to double its current volume. This would represent approximately 400,000 additional nursing home beds. The private sector represents 20% of Italian beds, and is expected to grow significantly over the coming years.

The Italian nursing home sector is a highly regulated market. Although the system varies across regions, Lombardy and Veneto require an accreditation for operators to provide subsidised care. Federal and Regional authorities use accreditations to organise the distribution of bed capacity according to regional needs.

## 2. The sites

### A. Italian portfolio

The Italian portfolio consists of 6 nursing and care homes of good quality, all situated in Northern Italy (5 in Lombardy, one in Veneto). Together, they represent 1,127 beds and a total surface area of approximately 65,000 m<sup>2</sup>. One site includes a dialysis unit of 16 beds. The sites are fully leased to 4 operators (KOS, Korian, Codess Sociale, NephroCare).

Lombardy has a population of 10 million people, which is approximately one-sixth of Italy's population. More than a fifth of Italy's GDP is produced in the region, making it the most populous, richest and most productive region in the country. It is also one of the top regions in Europe for the same criteria. Veneto is the eighth largest region in Italy. GDP per capita is 14% above the Italian and 9% above the European average.

Name of the facility	Type of asset	Location	Operator	Year built / lastly renovated	Surface area (approx.)	Number of beds
1. Bollate	Nursing and care home	Bollate (Lombardy)	KOS	2003	7,200 m <sup>2</sup>	147
2. Faustino 21	Nursing and care home	Milan (Lombardy)	KOS	2002	7,600 m <sup>2</sup>	150
3. Faustino 27	Nursing and care home + dialysis unit	Milan (Lombardy)	KOS NephroCare	2002	12,600 m <sup>2</sup>	220
4. Ippocrate	Nursing and care home	Milan (Lombardy)	Korian	2005	15,400 m <sup>2</sup>	276
5. Monza	Nursing and care home	Milan (Lombardy)	Korian	1996	9,200 m <sup>2</sup>	150
6. Padua	Nursing and care home	Padua (Veneto)	Codess Sociale	1999	12,900 m <sup>2</sup>	184
<b>Total</b>					<b>64,900 m<sup>2</sup></b>	<b>1,127</b>

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## B. Spanish portfolio

The Spanish portfolio consists of 18 well-maintained assets in operation representing more than 2,700 beds. The nursing and care homes are situated across some of the most attractive and wealthiest Spanish regions. The total surface area of the portfolio is approximately 108,000 m<sup>2</sup>. All sites are fully leased to DomusVi.

Name of the facility	Type of asset	Location	Type of property	Year built / lastly renovated	Surface area (approx.)	Number of beds
1. Mont Marti	Nursing and care home	Barcelona (Catalonia)	Freehold	1995/2008	6,800 m <sup>2</sup>	170
2. Regina	Nursing and care home	Barcelona (Catalonia)	Freehold	1997	7,300 m <sup>2</sup>	177
3. Can Buxeres	Nursing and care home	Barcelona (Catalonia)	Freehold	2005	6,000 m <sup>2</sup>	178
4. Arroyo Valladolid	Nursing and care home	Valladolid (Castile & Leon)	Freehold	2013	9,200 m <sup>2</sup>	235
5. La Salut Josep	Nursing and care home	Barcelona (Catalonia)	Freehold	2002	4,400 m <sup>2</sup>	144
6. Monte Arse	Nursing and care home	Valencia	Freehold	1985/2001	5,500 m <sup>2</sup>	149
7. Terraferma	Nursing and care home	Lleida (Catalonia)	Freehold	1995/2001	4,000 m <sup>2</sup>	137
8. Villaralbo Zamora	Nursing and care home	Villaralbo (Castile & Leon)	Freehold	2007	7,000 m <sup>2</sup>	169
9. Fuentesol	Nursing and care home	Malaga (Andalusia)	Freehold	1997/2006	6,100 m <sup>2</sup>	146
10. Monte Jara	Nursing and care home	Huelva (Andalusia)	Freehold	1994/2002	6,100 m <sup>2</sup>	160
11. Monte Val	Nursing and care home	Ciudad Real (Castilla-La-Mancha)	Freehold	1998	5,700 m <sup>2</sup>	146
12. Can Carbonell	Nursing and care home	Mallorca (Balearic Islands)	Leasehold	2007	5,600 m <sup>2</sup>	120
13. Ciudad de Mostoles	Nursing and care home	Madrid	Leasehold	2005	8,500 m <sup>2</sup>	180
14. Costa d'en Blanes	Nursing and care home	Mallorca (Balearic Islands)	Leasehold	2007	5,400 m <sup>2</sup>	120
15. Capdepera	Nursing and care home	Mallorca (Balearic Islands)	Leasehold	2007	5,500 m <sup>2</sup>	120
16. Sierra de las Nieves	Nursing and care home	Malaga (Andalusia)	Leasehold	2005	4,100 m <sup>2</sup>	126
17. Rosario	Nursing and care home	Madrid	Leasehold	2000	4,800 m <sup>2</sup>	112
18. Monte Alto	Nursing and care home	Cadiz (Andalusia)	Surface right	1992/2018	5,700 m <sup>2</sup>	157
<b>Total</b>					<b>107,700 m<sup>2</sup></b>	<b>2,746</b>

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### 3. The transactions

#### A. Italian portfolio

The Cofinimmo group has reached an agreement to invest, through the company Vestastone 1 Co SA/NV (in which it currently holds a participation of 96%), in two funds that own 6 nursing and care homes in Northern Italy. The total investment amounts to approximately 190 million EUR.

The lease agreements related to the 6 assets will be accounted for as operating leases. The weighted average lease term for those assets is 9 years. For 4 of these assets, a double net<sup>1</sup> lease has been concluded, whilst for the remaining 2 assets a triple net<sup>2</sup> lease has been concluded. The rents will be indexed annually according to the local consumer price index.

#### B. Spanish portfolio

The Cofinimmo group has reached an agreement to invest, through a wholly-owned subsidiary (Iberi Healthcare Properties, S.L.U.), in 18 healthcare sites in Spain. The total investment amounts to approximately 150 million EUR.

The lease agreements related to the 11 assets under freehold (amounting to approx. 105 million EUR) will be accounted for as operating leases. The weighted average lease term for those assets is 21 years. For each of them, a triple net lease<sup>3</sup> has been concluded. The rents will be indexed annually according to the local consumer price index.

The lease agreements related to the 7 assets under leasehold or surface rights (amounting to approx. 45 million EUR) will be accounted for as finance leases. During the remaining duration of the contracts (which amounts to 25 years in average), the leases will be indexed annually according to the local consumer price index.

### 4. The operators

#### A. Italian portfolio

KOS is a leading Italian private healthcare operator in long-term care, nursing and care homes, rehabilitation and psychiatric care operating approximately 12,500 beds in 136 premium facilities. KOS is a long-term care leader in Italy and is developing a strong presence in Germany.

Korian has become the leading European Care Services Group for elderly and fragile people. In addition to its network of nursing homes, Korian provides a wide variety of housing solutions and services, including assisted-living facilities, shared housing and care communities. Korian is also a leader in the fields of healthcare services through its post-acute and rehabilitation care clinics and mental health facilities. Korian operates in seven European countries (France, Germany, Italy, Belgium, Spain, Netherlands, and now the United Kingdom), with more than 1,000 facilities at the end of 2020. The Group has 57,500 employees.

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<sup>1</sup> The owner primarily bears the maintenance costs for the roof and the building structure.

<sup>2</sup> Insurances, taxes and maintenance are born by the tenant.

<sup>3</sup> Insurances (relating to operations), taxes and maintenance are born by the tenant.

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Codess Sociale is a non-profit organisation that provides welfare, health, education and training services. Active in 11 regions in Italy, it offers 200+ services and operates 23 nursing and care homes in 9 Italian regions.

Nephrocare is Fresenius Medical Care's provider business, providing dialysis centres in more than 35 countries across Europe, Middle East, Africa and Latin America. The first centre opened in 1994. Today, Nephrocare is treating more than 100,000 patients in over 980 dialysis centres, providing about 13 million treatments per year. NephroCare employs over 29,000 staff.

#### **B. Spanish portfolio**

DomusVi is one of the leaders in hospitality and services for self-sufficient or dependent senior citizens. The group is present in all segments of the sector, including medical nursing homes, non-medical nursing homes, residential services and home-care services. With more than 400 nursing homes and senior residential homes and 60 home-care agencies, DomusVi provides a comprehensive range of quality services to its 72,000 customers in Europe and Latin America .

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**About Cofinimmo:**

Cofinimmo has been acquiring, developing and managing rental properties for over 35 years. The company has a portfolio spread across Belgium, France, the Netherlands, Germany, Spain, Finland and Ireland with a value of approximately 5 billion EUR. With attention to social developments, Cofinimmo has the mission of making high-quality care, living and working environments available to its partners-tenants, from which users benefit directly. *'Caring, Living and Working - Together in Real Estate'* is the expression of this mission. Thanks to its expertise, Cofinimmo has built up a healthcare real estate portfolio of approximately 3 billion EUR in Europe.

As an independent company that applies the highest standards of corporate governance and sustainability, Cofinimmo offers its tenants services and manages its portfolio through a team of over 140 employees in Brussels, Paris, Breda and Frankfurt.

Cofinimmo is listed on Euronext Brussels (BEL20) and benefits from the REIT system in Belgium (RREC), France (SIIC) and the Netherlands (FBI). Its activities are supervised by the Financial Services and Markets Authority (FSMA), the Belgian regulator.

On 30.04.2021, Cofinimmo's total market capitalisation stood at approximately 3.8 billion EUR. The company applies an investment policy aimed at offering a socially responsible, long-term, low-risk investment that generates a regular, predictable and growing dividend.



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