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PRESS RELEASE

La Française Real Estate Managers (REM) maintains solid growth and announces record inflows for collective real estate investment vehicles

One year after its client-focused reorganisation and the arrival of Philippe DEPOUX as Chairman, **La Française Real Estate Managers (REM) announces solid growth of its real estate activity in 2021**, despite the apprehension of some international investors due to the economic uncertainty created by the health crisis.

For 2021, **La Française REM has forecast gross inflows of nearly 2.5 billion euros, bringing its assets under management to more than 29 billion euros, an increase of more than 9% compared to 2020. The management company has exceeded its record level of inflows recorded in 2019 on its range of collective real estate investment vehicles** and attributes this momentum to the implementation of its strategic road map which emphasises in particular:

- the relevance and effectiveness of **the asset management** of the real estate portfolio;
- changes to the range of investment vehicles in terms of **sustainability**, meeting new investor requirements;
- a **diversification** strategy aimed at **new asset classes**, which should be profitable in the post COVID-19 world, focusing on logistics, senior housing and health care real estate and a **strengthened presence on international markets**, namely in Germany, Luxembourg, Belgium, the Netherlands, Ireland and the United Kingdom;
- **innovation** in terms of accessibility and development of investment solutions.

Asset management

The appeal of the investment solutions offered by La Française REM lies in particular in their capacity to effectively navigate an unprecedented storm, such as the one we have just experienced. The real estate assets managed by La Française REM consist of around 65% offices, 10% retail, 10% residential/managed residences, 10% logistics and 5% diversification products (vineyards, hotels, other). The rent collection approach adopted by La Française REM, which can be summed up in a selective and negotiated support policy or in a firm approach to large tenants, has made it possible to maintain a good collection rate of

rents, as is the case for the collective real estate vehicle product range managed by La Française REM which at the end of November had collected 95% of the rents billed since the beginning of the year.

Philippe DEPOUX, Chairman of La Française REM, added: *“La Française REM is a set of professions that creates value for the end investor. Today, the asset management teams are in the spotlight. Each m² is managed as well as possible. We are building our asset management strategy around three main areas, namely sustainability (ESG), flexibility and service-based options. The close relationship and professionalism of our teams as well as the quality of our real estate portfolio has allowed us to navigate this unprecedented period with confidence. With 300,000 m² let or re-let in 2021, a financial occupancy rate of nearly 93% over the year, we have maintained the performance of our real estate investment vehicles for the benefit of investors. Going forward, we will continue to support our tenants with the newly created Tenant Services Transformation Unit. In 2022, we will gradually roll out a rental offer focused on flexible occupancy and service-based options.”*

"Institutional" division

The "Institutional" division under the direction of David RENDALL, includes ad hoc real estate investment solutions specifically designed for institutional investors on Core/Core + strategies and more recently Value Added and Opportunist strategies in France and internationally. This activity recorded 600 million euros in gross inflows, down compared to 2020 in particular due to the closure of borders in the first half year of 2021. However, several successes can be highlighted and should form the foundations for a solid recovery in 2022:

- the positioning of La Française REM as a major player in the senior housing sector with 500 million euros under management (12/2021) on behalf of third parties, i.e. 26 senior housing facilities;
- a strategic partnership with a developer specialised in "last mile" logistics platforms and the acquisition on behalf of a Korean investor of a portfolio of six assets in France;
- the signing of several office transactions (investment volume of over 300 million euros) in France and internationally on behalf of French and international investors;
- around 120,000 m² delivered and leased in 2021, the result of off-plan acquisitions over the past two to three years;
- two partnerships for the two-year sourcing of a large volume of residential rental assets located in France;

"Retail" division

The "Retail" division, under the direction of Marc-Olivier Penin, covers all real estate investment solutions and services specially targeting retail investors. La Française REM is the leading real estate asset management company in France in terms of capitalisation (Source IEIF 30/09/2021) and La Française Group raised the most capital in collective real estate investment vehicles (managed or distributed by the group) in France (data IEIF). **La Française REM - "Retail" division records estimated gross inflows of around 1.9 billion euros in 2021, compared to 1.7 billion euros in 2020, an increase of 12%, driven in**

particular by the enthusiasm of investors for unit-linked life insurance contracts and thematic real estate investment vehicles. The management company announces record inflows for its range of collective real estate investment vehicles, 1.4 billion euros, against 1.1 billion in 2020 and 1.2 billion in 2019.

Real estate transactions

La Française REM will have completed nearly 2.2 billion euros in real estate transactions in 2021. Thanks to its European investment platform with management centres in Paris, Frankfurt and London, it carried out **2 billion euros of acquisitions** and sold the equivalent of 200 million euros. The majority of acquisitions (66%) were offices, followed by residential properties (11%) and logistics (9%). 62% of assets are located in Paris and Ile-de-France, while nearly 18% of acquisitions are outside France, mainly in Germany but also in the United Kingdom, Ireland, the Netherlands and Belgium. Among the most iconic acquisitions which are representative of its European investment strategy are:

- Cologne, Germany, mixed-use building;
- The "SHIFT", Issy-les-Moulineaux (92), office building;
- The Hague, Netherlands, office building;
- Edinburgh, Scotland, office building;
- Nice (06), shopping centre;
- St-Ouen (93), office building;
- Château du Tertre, Grand Cru Classé of Médoc, Arsac, Gironde (33), vineyard;
- "Le Valmy", Montreuil (93), office building;
- Hamburg, Germany, micro-housing asset;
- "Le Prisme", Chatillon (92), office building;
- A higher education building (STRATE DESIGN), Lyon (69).

Outlook for 2022

Real estate has upheld its status as a safe haven, driven by a low interest-rate environment and an attractive risk/return ratio. In 2022, investors will continue to be more and more selective, and increasingly sensitive to Environmental, Social and Governance (ESG) characteristics. The "latest generation" buildings will be favoured because they are better suited to new property requirements which are based on flexible office space and collaborative work as well as increasingly demanding energy criteria. In this regard, La Française REM will pursue its development strategy revolving around diversification, sustainability, flexibility and service-based options. It will aim to achieve increased growth of its assets driven by an acceleration of international development.



About La Française

The major changes linked to environmental and societal challenges are opportunities to reconsider the future. Future growth and performance will be built around newly identified leverage. The La Française management group's forward-looking investment strategy is built upon this conviction and mission.

Organised around two business lines, "Financial Assets" and "Real Estate Assets", La Française has developed a multi-boutique model to serve institutional and heritage clients in France and abroad.

In view of the profound changes occurring in our increasingly digital and connected world, the Group has created an innovation platform which brings together the new activities identified as key businesses of tomorrow.

La Française has 56 billion euros in assets under management with operations in Paris, Frankfurt, Hamburg, London, Luxembourg, Madrid, Milan, Geneva, Hong Kong and Seoul (as at 30/06/2021).

La Française is a subsidiary of the Caisse Fédérale du Crédit Mutuel Nord Europe (CMNE). Groupe Crédit Mutuel, Standard & Poor's rating (6/2021): Long term: A, stable outlook/Short term: A-1.

For more information: www.la-francaise.com



www.twitter.com/francaisegroup



www.linkedin.com/company/lafrancaise-group

Press contact:

La Française

Pascale Cheynet +33 1 43 12 64 25 | pcheyne@la-francaise.com

Debbie Marty: + 33 1 44 56 42 24 | debmary@la-francaise.com



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The portfolio management company La Française Real Estate Managers received AMF accreditation No. GP-07000038 on 26 June 2007 and AIFM accreditation under Directive 2011/61/EU, dated 24/06/2014 (www.amf-france.org).

Internet information for the regulatory authorities: Autorité de Contrôle Prudentiel et de Résolution (ACPR) www.acpr.banque-france.fr, Autorité des Marchés Financiers (AMF) www.amf-france.org

In the event of any complaint, please contact the Customer Service Department of La Française by email at the following address: reclamations.clients@la-francaise.com.