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GROWTH AT INTREAL CONTINUES TO GAIN MOMENTUM IN Q3 2020

- ◆ Assets under administration rise to EUR 35.7 billion as at end of September 2020
- ◆ Growth of EUR 1.5 billion in Q3
- ◆ 186 administered funds (+4) with a total of 1,517 properties under administration (+56)
- ◆ Growth expected roughly on par with previous year in midst of coronavirus pandemic
- ◆ Staff headcount increases to 332 in third quarter following four new hires
- ◆ New INTREAL location in Frankfurt completed

IntReal International Real Estate Kapitalverwaltungsgesellschaft mbH (INTREAL), Germany's leading third-party real estate AIFM, continued its growth trajectory in the third quarter of 2020. Assets under administration (AuA) came to EUR 35.7 billion as at the end of September 2020, representing an increase of around EUR 1.5 billion since the end of the second quarter (EUR 34.3 billion as at 30 June 2020). The first nine months of the current financial year saw growth of approximately EUR 4.4 billion (EUR 31.3 billion as at 31 December 2019). The slowdown in growth in the months from April to June caused by the coronavirus pandemic was thus largely recouped in the third quarter.

Michael Schneider, Managing Director of INTREAL, commented: "After growth slowed in the second quarter as expected due to the coronavirus pandemic, we saw significant recovery in the third quarter. This applies to strong investor demand and the good performance of specific capital commitments, as well as the fact that available funds were not reduced and capital commitments already made were not revoked. All in all, despite the negative impact of the COVID-19 pandemic we expect growth in the 2020 financial year to reach a similar level to the previous financial year and for this to continue in subsequent years, too."

Looking to the future, Schneider added: "Our focus in the upcoming months will be primarily on preparing for the upcoming ESG regulations. The Disclosure Regulation that comes into effect on 10 March 2021 represents the first of the EU measures. Further regulations will follow throughout 2021. The whole matter of ESG will change the property fund sector. The sustainability of property investments is a top priority at present, especially among institutional investors."

The increase in the third quarter and the capital commitments and fund plans for Q4 are not spread equally among all property classes. "At the moment, there is particular demand for logistics and residential fund types. Non-food retail and speciality funds such as "healthcare property" or "urban district development" etc. – all relating to property asset classes, which have been less affected by the crisis – also play a key role. Nonetheless, there are also specific plans for office property funds. Given the experiences of the pandemic, however, there is a stronger focus here on targeted tenant selection. Here, too, there are winners and losers due to the crisis," said Schneider.

While only four new funds were launched from July to September 2020, the high number of new funds in the pipeline indicates significant growth potential. The number of properties under administration rose by 56 in the same period, showing that not even the pandemic has shut down the transaction market, which also

picked up considerably in Q3. As at 30 September 2020, the third-party AIFM thus administered 186 funds and a total of 1,517 properties.

Regardless of the coronavirus pandemic and with an eye to good long-term development prospects, INTREAL continued to make further additions to its workforce in the third quarter. The staff headcount at the company increased to 332 thanks to four new hires. This is a rise of 42 on the end of the 2019 financial year. "Given the stiff competition for qualified new staff and managers, continually expanding our human resources is a top priority for us. This allows us to ensure high quality of support for our customers and investors at all times while we grow. We are particularly delighted that, despite the pandemic, we were able to complete our planned location in Frankfurt at Erlenstrasse 2 almost on schedule and that we are now optimally positioned to support our customers directly from Frankfurt," said Schneider.

Solid growth at Administration Services and Partner Funds

INTREAL's business is divided into the two major business units Partner Funds and Administration Services. In Partner Funds, the third-party AIFM offers customers such as asset managers and project developers without an AIFM licence all services relating to the launch and administration of an alternative investment fund (AIF). In the Administration Services business unit, INTREAL provides services for other licensed management AIFMs, including complex administrative tasks such as reporting, controlling, fund accounting and investment and risk management. Partner funds accounts for around 60% of AuA, with Administration Services responsible for about 40%.

Both business units achieved solid development in the third quarter. AuA in Partner Funds rose by around EUR 734 million in Q3 to EUR 21.3 billion. The number of funds administered in this business unit increased by 1, bringing the current total to 100. AuA in Administration Services picked up by about EUR 732 million to approximately EUR 14.4 billion in the third quarter of 2020. The number of funds for which services are provided rose by 3, totalling 86 as at 30 September 2020.

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About INTREAL

As a third-party AIFM, INTREAL focuses exclusively on launching and administering regulated property funds for third parties in accordance with the German Investment Code (KAGB). Companies can use the platform to take advantage of all the capabilities of a property AIFM without having to found one themselves. For example, both open-ended and closed-ended property funds can be launched and AIFMs' back office activities can be outsourced to INTREAL. With 332 employees, the INTREAL Group has many years of property expertise and detailed, highly professional knowledge of fund administration.

INTREAL administers 186 funds via a wide range of external fund partners, with a total investment volume of around EUR 35.7 billion (all figures as at the end of the third Quarter of 2020).