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INTREAL MAINTAINED ITS GROWTH TRAJECTORY IN Q1 2022

- ◆ AuA climbed to 54.7 billion euros (+3.5 billion euros in Q1)
- ◆ 278 administrated funds (+6 in Q1) with a combined total of 2,192 properties under administration (+105 in Q1)
- ◆ 24 jobs created during first quarter – number of employees increased to 425
- ◆ Bright outlook for 2022 despite challenging environment

IntReal International Real Estate Kapitalverwaltungsgesellschaft mbH (“INTREAL”), Germany’s leading third-party AIFM in the real estate sector, maintained last year’s dynamic growth during the opening quarter of 2022. As of the reporting date of 31 March 2022, the assets under administration (AuA) added up to c. 54.7 billion euros, and thus grew by c. 3.5 billion euros since the end of the 2021 financial year (31 December 2021: 51.2 billion euros).

A total of six new investment funds were launched during the first quarter. In addition, a total of 105 properties were acquired during the first three months of the 2022 financial year. This brings the number of funds administrated by the third-party AIFM up to 278 and the number of properties held in them up to 2,192 as of 31 March 2022. The number of employees working for INTREAL in its branch offices in Hamburg, Frankfurt and Luxembourg increased to 425 overall after the company created 24 new jobs.

Bright Outlook for 2022 in a Challenging Environment

Michael Schneider, Managing Director at INTREAL, commented: “The figures released for the first quarter send a positive signal in an environment marked by mounting challenges. Accordingly, we continue to face the year as a whole with confidence, even though it remains difficult to gauge some of the major economic influencing factors such as the repercussions of the war in Ukraine, and most notably here the disruptions of supply chains and possible energy supply issues, high inflation rates and rising interest rates. For private as well as for institutional investors, indirect real estate investments through funds are still a very important component of their portfolio allocation, particularly because of the high inflation rates.”

Uwe Janz, Head of Treasury at INTREAL, added: “Even prior to Russia’s assault on Ukraine, trends began to emerge that will remain with us and occupy us in the coming months. For one thing, the United States and Europe saw drastic price growth as early as last year. Following the example of the United States, the central bank of the United Kingdom has also tightened its interest rates out of concerns over a possible wage-price spiral. The European Central Bank, while having so far refrained from such a move, will probably follow suit during the year ahead. The interest curve on the market has already shifted significantly over the past four months, and we noted that long-term debt has gone up by 155 basis points. The macroeconomic situation had been expected to normalise as the COVID-19 pandemic is losing momentum, but this has been prevented by the war in Ukraine and the associated surge in energy prices and supply bottlenecks for commodities, including grains and oilseeds as well as relevant building materials and components for the real estate industry, among others. So, what we are looking at is a complex situation of conflicting factors, one to which real estate investors have to respond by adjusting a number of influencing variables. However, we need to bear in mind in this context that even times of much higher levels of interest and inflation rates have been

known to witness the completion of attractive and successful real estate investments. It is of the essence now to retain a balanced view of things and to carefully monitor the various developments as they unfold.”

Further Growth in Both Business Divisions

The business of INTREAL essentially divides into two major business lines, these being partner funds, on the one hand, and AIFM services in Germany and the analogous AIFM and central administration services in Luxembourg, on the other hand. In its partner funds business line, the third-party AIFM offers asset managers and property developers without AIFM license any service relating to the launching and administering of alternative investment funds (AIF). In its AIFM services business line, INTREAL acts as the service arm of other licensed AIF management companies, taking care of complex administrative tasks like reporting, controlling (management accounting), fund accounting or equity investment management and risk management. By the end of the first quarter of 2022, the partner fund unit accounted for around 54 percent of the AuA, where the AIFM services units took care of about 46 percent of the administrated assets as of the reporting date. This matched the ratio reported at the end of the past financial year.

The AuA in the Partner Funds segment grew by c. 2.2 billion euros to 29.6 billion euros during the first quarter of 2022. The number of funds managed in this business line increased by 15, and is now up to 148 funds. The number of fund partners in this business unit remained unchanged at 53. The AuA growth in the KVG Services business unit amounted to c. 1.3 billion euros during the first quarter of 2021, which brought the total up to c. 25.2 billion euros by 31 March 2022. The number of funds for which services are being provided rose by three, up to a current total of 130 funds. Moreover, the company gained a new fund partner, so that it now collaborates with 14 fund partners overall.

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About INTREAL

As a third-party AIFM, INTREAL concentrates exclusively on the business of launching and managing regulated real estate funds on behalf of third parties under the German Capital Investment Act (KAGB). The platform lets clients take advantage of every service an AIF management company (KVG) provides without having to form one of their own. Options include the launching of open-ended and closed-end property funds or the outsourcing of AIFM back offices to INTREAL. Employing 425 staff, the INTREAL Group offers long-term real estate know-how along with detailed and highly professional fund management expertise.

INTREAL collaborates with a large number of third-party fund partners to administrate 278 investment funds with a combined investment volume of c. 54.7 billion euros (all figures as of quarter-end Q1 2022).