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INTREAL Concludes Full Year of 2023 with Further Growth

- ◆ Assets under administration grew by c. 3.5 billion euros to 65.6 billion euros (+303 million euros in Q4)
- ◆ Number of real assets under management increased to 2,661 by 31 December 2023 (+43 in Q4)
- ◆ INTREAL administrates 305 funds in total (+3 in Q4)
- ◆ Cautiously optimistic outlook for 2024

IntReal International Real Estate Kapitalverwaltungsgesellschaft mbH (“INTREAL”), Germany’s leading third-party AIFM in the real estate sector, looks back on a robust performance during the 2023 financial year despite the challenging market environment. In the course of the year, the assets under administration (AuA) increased by c. 3.5 billion euros or 5.6 percent to 65.6 billion euros, although the growth rate lost some of its momentum, as was to be expected after the brisk increases of recent years. The growth in AuA during the fourth quarter added up to 303 million euros. Each key performance indicator is measured based on the development of the sum total of the properties’ fair market values, on the fund’s other assets and on the value balance of the acquisitions and dispositions completed over the course of the year.

By the end of the year, INTREAL was managing 305 funds, and thus three more than the previous quarter. The number of real assets under administration—measured as the balance of acquisitions and dispositions completed by INTREAL fund partners—increased by a net total of 43 assets during the fourth quarter, which means that INTREAL had a total of 2,661 real assets under administration as of 31 December 2023. Parallel to the growth in assets and properties managed by INTREAL, the number of staff the company employed at its three sites—Hamburg, Frankfurt and Luxembourg—increased by 30 specialists during the year under review.

Robust Performance in a Market Defined by Wait-and-See Attitude – Cautiously Optimistic Outlook for 2024

Michael Schneider, Managing Director at INTREAL, summarised the recent development: “The real estate investment market of 2023 was essentially defined by diverging price expectations of potential buyers and sellers, respectively, and by the resultant wait-and-see attitude. Transaction volumes declined significantly year on year, while prices softened noticeably in virtually all market segments. Accordingly, the fact that the growth of INTREAL lost some of its momentum in the course of the year arguably reflects the trend of the overall market. Nevertheless, INTREAL did a remarkable job standing its ground even in this market environment, and reported growth for every quarter of the year. Particularly reassuring for us was the fact that we acquired a few new mandates through INTREAL Luxembourg during the past financial year, and that we received our license for the infrastructure asset class. This means we may now use our Luxembourg subsidiary to launch and/or administrate funds in the alternative investment fund segment—which includes real estate, infrastructure and private debt—and even umbrella funds for these asset classes. In addition, we used the year to optimise our internal structure and to set ourselves up technologically and staff-wise for further growth in an altered market environment. This includes the appointment of Camille Dufieux as additional Managing Director of INTREAL as well as the rapid filling of senior management positions in the

key areas of portfolio supervision and risk management as of 1 January 2024. To this end, we were able to fall back on experienced professionals and executives from our own ranks.”

Camille Dufieux, Managing Director of INTREAL, commented: “Looking at the year 2024 ahead of us, we are cautiously optimistic. We are currently seeing a resurgent demand for special real estate funds on the part of institutional investors, among them some investors who have not signed on for any new products in quite some time. The investor interest is no doubt enhanced by the fact that the interest environment, above all, has visibly calmed down, when compared to what it was a year ago. Undaunted even by the difficult parameters of the past year, there were a number of investors who started buying selectively and who met or actually deepened their capital commitments as early as 2023 so as not to miss out on emerging market opportunities. In fact, even a few new funds were launched in 2023 that have since completed their first acquisitions. These developments are likely to continue in 2024.”

Partner Funds Remain the Largest Business Unit – AIFM Services Making Significant Gains in 2023

The Partner Funds segment remained the largest business unit of INTREAL with 154 funds under administration and c. 35.3 billion euros worth of assets, as it accounted for a share of nearly 54 percent of the company’s total AuA. Compared to the situation by the end of the past financial year, AuA in the Partner Funds segment increased by c. 1.7 billion euros, out of which 67 million euros were added during the fourth quarter. Overall, acquisitions worth c. 2.4 billion euros in this business segment were matched by disposals worth c. 0.4 billion euros in 2023. In its Partner Funds division, the third-party AIFM offers every kind of service related to the launching and administrating of alternative investment funds (AIF) to asset managers and property developers who have no AIFM licenses of their own, and to other clients.

The AIFM services segment, being the second major business unit of INTREAL, achieved even stronger growth in 2023 and continues to close in on the scope of the Partner Funds division. The AuA volume of the AIFM Services unit approximated 30.3 billion euros from 151 funds under management. During the fourth quarter 2023, AuA in this segment grew by c. 0.2 billion euros and by nearly 1.9 billion euros since the end of the 2022 financial year. The AIFM Services division of INTREAL provides deliverables to other licensed AIF management companies, fulfilling complex administrative tasks like reporting, controlling (management accounting), fund accounting or equity investment management and risk management, among other services.

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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 real estate funds or the outsourcing of AIFM back offices to INTREAL. Employing 520 staff, the INTREAL Group offers long-term real estate know-how along with detailed and highly professional fund management expertise.

In Luxembourg, the largest investment fund centre in Europe, INTREAL is represented by its subsidiary, INTREAL Luxembourg. INTREAL Luxembourg is an independent AIFM and central administrator for Luxembourg-domiciled real estate funds and real-estate-related asset classes for German and international clients.

Through another subsidiary, INTREAL Solutions, the company makes its comprehensive real estate fund experience available to other market players within the scope of best-practice consultancy. These advisory services combine the IT subject with other specialist areas like ESG, risk management and process consulting.

INTREAL collaborates with a large number of third-party fund partners to administrate 305 investment funds with a combined investment volume of c. 65.6 billion euros (all figures as of the end of Q4 2023).