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MIRABAUD GRAND PARIS FUND UPDATE /

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Please find below an update regarding the Mirabaud Grand Paris (“MGP”) Fund and the impact resulting from the current health crisis.

The road map implemented by the Mirabaud team since the fund’s first closing in September 2019 has made it possible for the crisis to have no impact on the projects in the portfolio, with no investment having been withdrawn at end of March 2020.

We continue to review several projects, including in particular a project to develop high-end housing in Versailles, in partnership with one of the key players of the sector. For this project, Mirabaud has submitted an offer as part of a second round of consultation and we are awaiting the seller’s decision whether to award us the project. This is a long-term project, in which housing will not be put on the market before 2023; the maximum investment of the fund would be €10 million, which may be reduced depending on the bank financing available for the project.

Three other residential real estate projects are under review: one relates to a project located in Garches (Yvelines) and could be the subject of an investment decision in early April (maximum investment of nearly €5 million). The other case concerns the construction of part of the Olympic village planned for 2024 (investment of around 15 million). Mirabaud is also reviewing a new project relating to the acquisition of land in Joinville le Pont (Val de Marne) and the development of a residential program (investment of around €5 million). The MGP team is carefully analysing the impact that the health crisis, and more broadly the economic slowdown, could have on these projects.

In tertiary real estate, two projects under consideration before the crisis are now on hold. The first concerns the acquisition and transformation of the French headquarters of the American Express group in Rueil Malmaison (Hauts de Seine). Mirabaud is associated with one of the first global construction groups in this project whose investment amount for MGP would be around €12 million. Mirabaud is also working on a project on the La Défense site, in partnership with a development subsidiary of one of the main French banking groups. It concerns the acquisition and redevelopment of a set of offices (amount of investment to be specified).

An initial call for funds was made to investors in December 2019. Depending on the progression of ongoing projects, a new call for funds could take place in June or July 2020

Regarding fundraising, an agreement was reached with CBRE group, the leading real estate broker worldwide. As part of this agreement, CBRE will support Mirabaud in raising funds, presenting Mirabaud Grand Paris to its investor clients. Investor communication on the fund and approach will begin when the real estate market regains sufficient activity.



Mirabaud's analysis of the impact of the current crisis on the prospects for deploying the fund is as follows:

- The dynamics of the residential sector are unchanged: the need to accelerate housing production remains; it is linked to the downward trend in the size of households;
- Residential price levels respond to an imbalance between supply and demand in areas which are under pressure. This is enabled by favorable credit and interest rate conditions, which the monetary authorities are working to preserve (European Central Bank injection of €750 billion into the markets);
- The team's experience during 2008/2009 was a strong slowdown in sales, followed by a recovery and a very marked catch-up; developers' search for land became the priority. This constitutes an opportunity in our view;
- In the tertiary sector, the situation is more nuanced, with rent levels that could be under pressure in the context of an overly pronounced economic slowdown;
- All promoters are today faced with the need to manage their cash as closely as possible.

The approach that the MGP team will implement in the coming weeks and months will be as follows:

- Support for developers in the residential sector, where the cash flow of our developer partners creates real opportunities
- Be cautious on tertiary matters, with a particularly in-depth examination of the rental markets, and search for co-investors in order to share the risks.

We will keep you regularly informed on the development of our activities.

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