

AXA Logistics Europe Master

Credit update

June 2024

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Executive Summary

Fund Highlights

Market Update

- Take-up has slowed, on the back of economic headwinds and tight supply, but remains above average
- Construction starts have been rapidly cut, which kept vacancy rate below pre pandemic level (c. 4%)
- Key sectoral trends expected to continue support occupier demand (e-commerce, near-shoring, supply chains resiliency)
- After swift repricing since summer 2022 (c. -20%) property yields may be stabilized as leverage effect is back in positive territory

Operational Performance

- **Well diversified Logistics portfolio** of 153 assets providing c. 4.3m sq.m. of high-quality space across 11 European countries
- Continued strong operational performance, rewarding the willingness to constantly improve the quality of our Portfolio
- The Operating Portfolio is **c. 98% let on 6.3/7.4Y of WALB/WALT. +4.2% Lfl Rental Income Growth** over the last 12 months
- **A successful Development program**, which improved the quality & the sustainable profile of the portfolio (c. €0.4bn completed in 2023)

Robust Capital Structure

- Low leverage policy and good credit metrics with a **Fund net LTV of 18.7%⁽¹⁾** and an **WACD of c. 1.2%**
- Fitch reaffirmed in October 2023 the **BBB+ rating** of ALEM (A- on the instruments) with a Stable Outlook
- **Stable Institutional shareholders base** gathering 47 reputable investors - **with no significant redemption request**
- With the anticipated rate cuts in 2024, the financing conditions have improved for issuers with **solid covenants**

ESG Achievements

- A focused ESG strategy rewarded by **5 Stars GRESB in 2023** for both assets in operation and under development
- The financing strategy is aligned with the ESG ambition of the Fund. c. **98% of Total Debt under green format**
- **An active strategy on renewable energy** to meet the requirements of our tenants
- Fast track the ESG ambition of the Fund with Development program

AXA Logistics Europe Fund

Highlights - Q1'24

€3.8bn

Real Estate
NMV

4.9%⁽²⁾ / 5.5%

Average⁽¹⁾
Stabilized Yield / RY

98.3%

Physical
Occupancy

4.3

m sqm
GLA⁽¹⁾

18.7%

Fund
Net LTV⁽³⁾

€198m

Stabilized
Headline Rent⁽¹⁾

6.3Y/7.4Y

Fund
WALB/WALT⁽¹⁾

5 ★

GRESB
2023⁽¹⁾

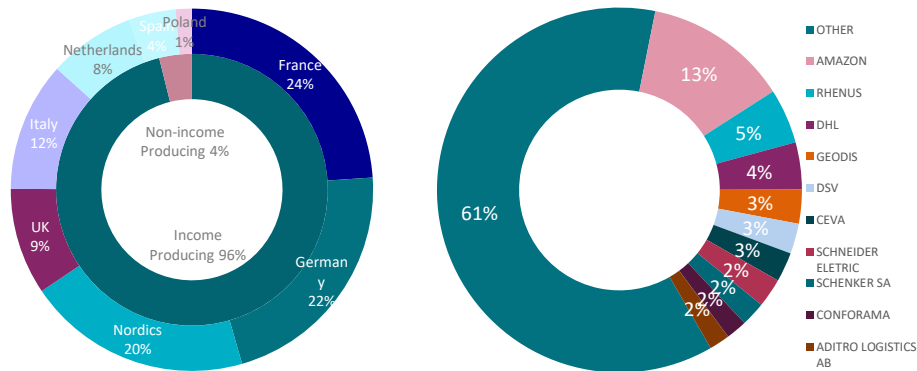
0.3

m sqm
Under Dvp.

A-/BBB+

Fitch Rating⁽⁴⁾
Stable

Diversified portfolio of 153 properties & 130 tenants across 11 countries



Key Performance Metrics

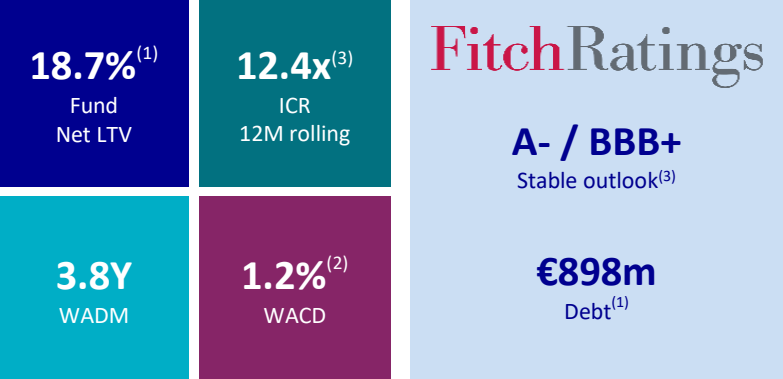
	FY 20	FY 21	FY 22	FY 23	Q1'24
INREV NAV (€ bn)	1.3	2.1	2.7	3.1	3.1
Real Estate NMV (€ bn)	1.8	3.2	3.8	3.8	3.8
Occupancy (%)	97	97	99	99	98
WALB (Y)	4.4	4.7	5.1	6.6	6.3
NIY (%) ⁽¹⁾	4.8	3.8	4.4	4.7	4.8
Fund Net LTV (%) ⁽³⁾	9	18	24	19	18.7

SOURCE: AXA IM - Real Assets data (unaudited) as at 31/03/2024. NOTES: Past performance is not representative of future results or performance. There can be no assurance that the Fund will achieve these results, implement the strategy or achieve its objectives. (1) Operating Portfolio. (2) Stabilized Yield, (3) Fund Net LTV = (Total External Debt - Cash and Cash equivalents) / Net Market Value of Investment Properties, with figures in Fund share only. (4) Fitch Rating: A- (Bonds rating) / BBB+ (Fund rating).

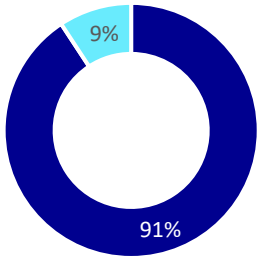
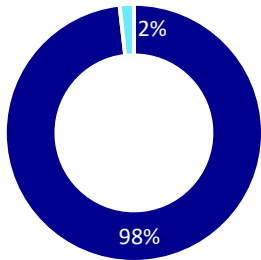
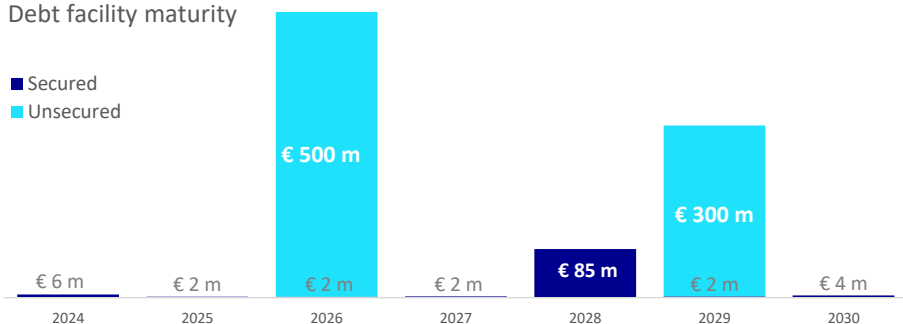
Capital Structure

Combining low leverage & solid credit metrics

Prudent Financing Policy



- **Low leverage policy** in line with the IG profile of the Issuer
- **Additional Bond issuance** subject to market conditions



■ Fixed rate ■ Variable rate ■ Unsecured debt ■ Secured debt

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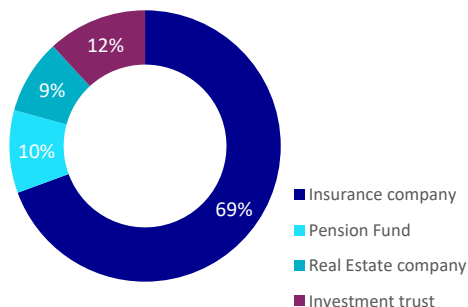
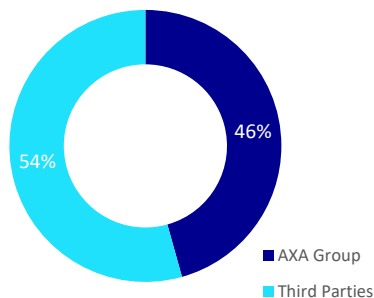
Solid shareholding structure

Long term institutional investors base

Stable Capital commitment

47

Institutional
investors



Long term investors base

Equity
€3,153m

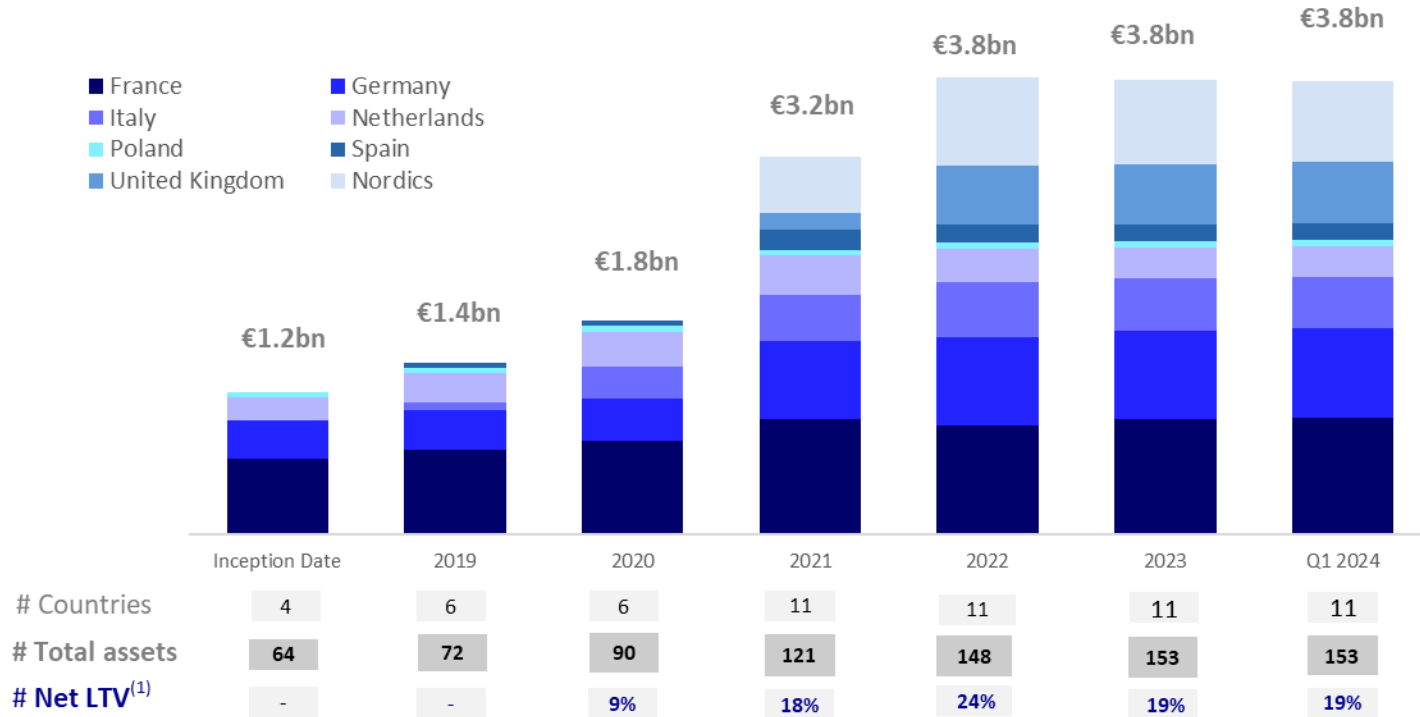
Redemption
€12m

0.4%

- **€3,153m** raised since inception
- c. **€12m** Redemption since inception (<0.4%)
- **€0m** transacted in the secondary market⁽¹⁾

AXA Logistics Europe Fund since inception

A robust growth sustained by rigorous investment & moderate leverage

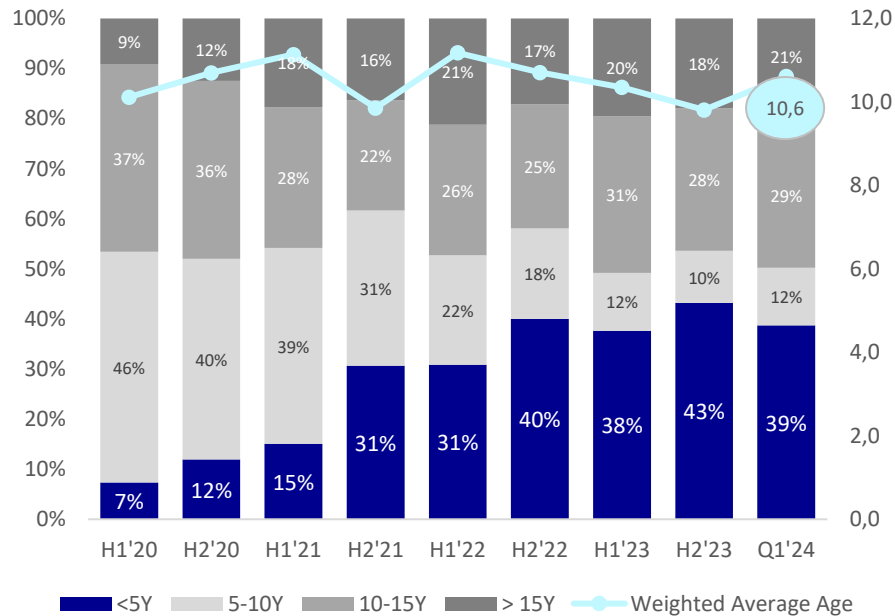


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Evolution of the Operating Portfolio

Features & Operational Enhancement

Property weighted age



- Development is embedded in the rotation strategy of the Fund.
 - The value of the development projects delivered by the Fund since inception represent c. 26% of the portfolio GAV
- Targeting high quality properties to optimize the risk return profile of the fund
 - The share of properties aged below 5 years represent c. 39% of the portfolio GAV

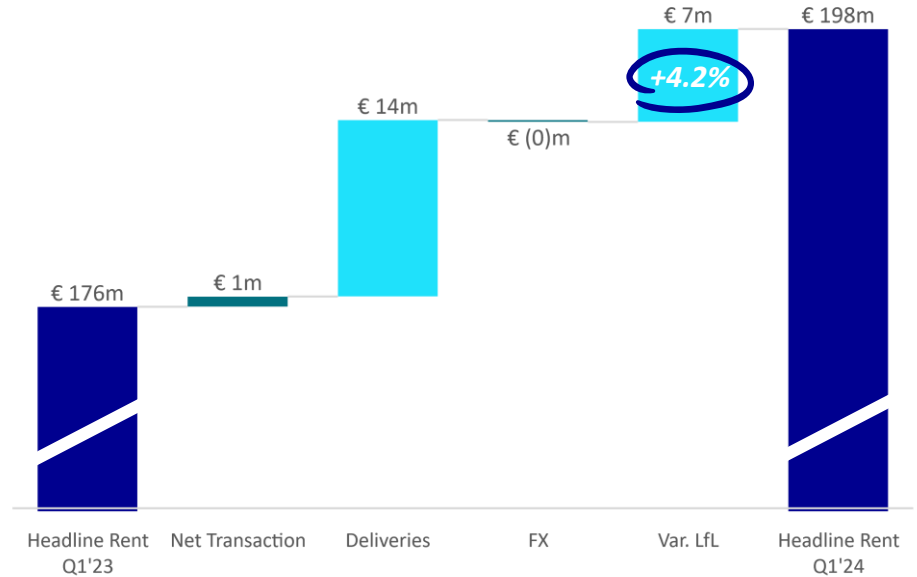
Operational performance

Occupancy & rental income growth

Leasing Performance

- **Physical Occupancy**
 - Consistently above 95% since inception
 - 98.7% as of March 2024
- **Average reversion captured**
 - +15% on 2023 lease events

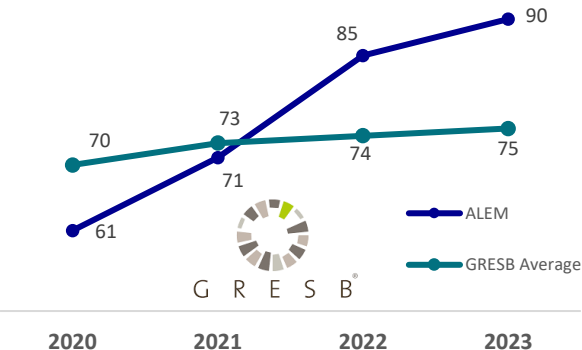
Rental Income Growth



ESG Achievements

An acceleration of the ESG integration with tangible results on our GRESB scores

Standing Investment



+1
GRESB Star
vs 2022

+5 pts
vs 2022

2021



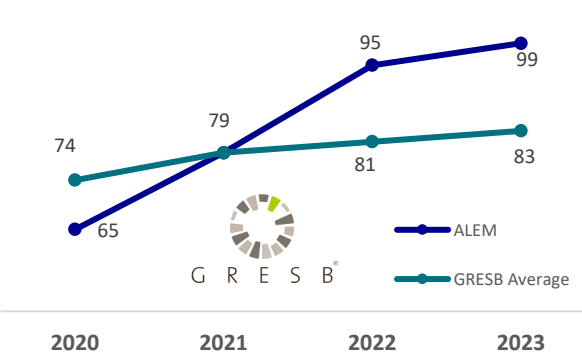
2022



2023 Actual



Development Investment



5
GRESB Star

+4 pts
vs 2022

2021



2022



2023 Actual



Appendices



Summary Financial

Consolidated Financial Information Q1'24

Balance sheet

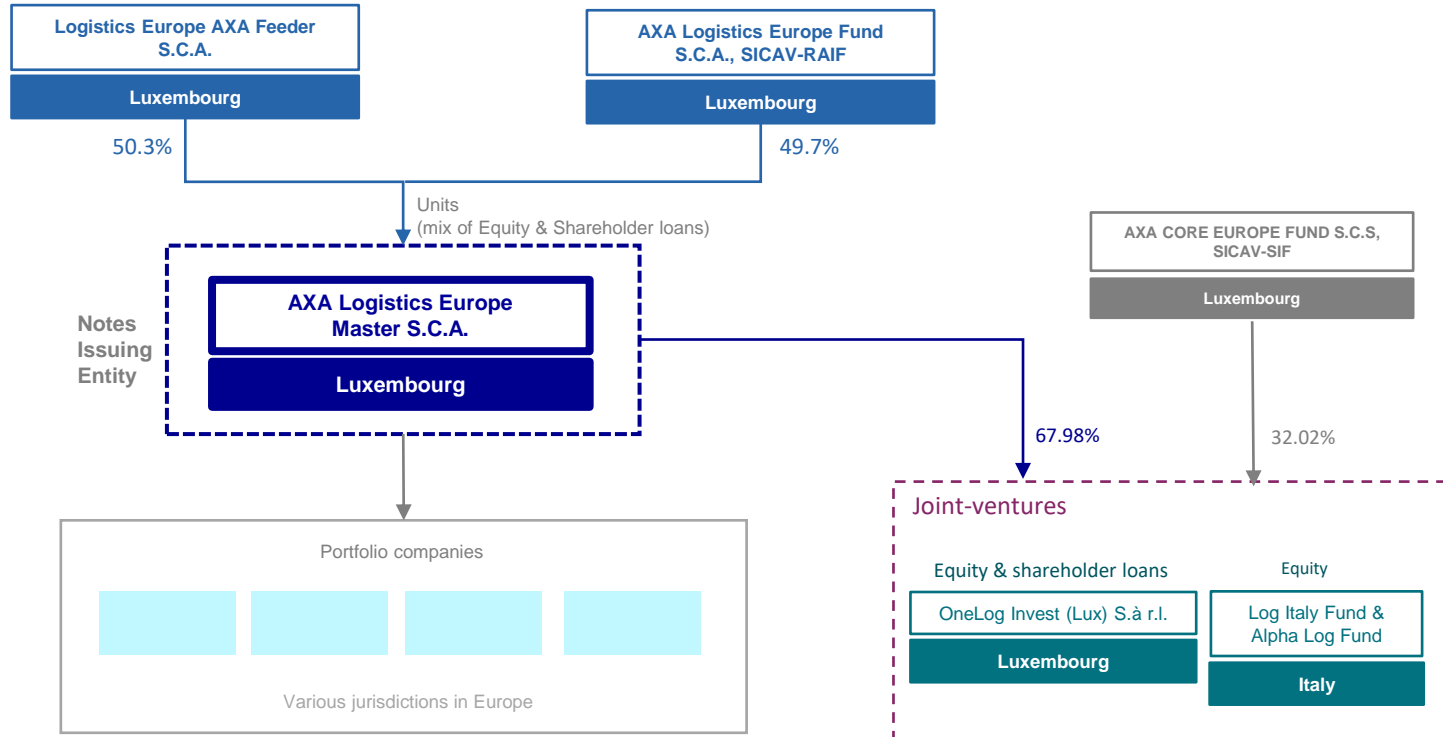
<i>ALEM - IFRS simplified consolidated balance sheet</i> <i>FYE 31-Dec</i> <i>(€m)</i>	FY 2023	Q1 2024 (3M)
Investment properties ⁽¹⁾	4 903	4 894
Other assets	107	103
Cash and cash equivalents	223	223
Total Assets	5 233	5 221
External borrowings ⁽²⁾	933	925
Loans from shareholders ⁽³⁾	2 048	2 032
Loans from non-controlling interests ⁽³⁾	670	664
Other liabilities	228	236
Total Liabilities	3 879	3 857
Equity IFRS	1 353	1 364
Non-controlling interests	415	415
Net assets attributable to Partners	938	950
Net LTV - Fund Share basis ⁽⁴⁾	19.1%	18.7%

Income statement

<i>ALEM - IFRS simplified consolidated income statement</i> <i>FYE 31-Dec</i> <i>(€m)</i>	FY 2023	Q1 2024 (3M)
Rental income	243	62
Operating expenses	-76	-18
Results on real estate investments and derivatives	-280	-20
Other	5	3
Total operating profit/ (loss)	-107	27
Interests on external borrowings	-11	-3
Interests on loans from shareholders	-53	-17
Interests on loans from non-controlling interests	-17	-4
Other finance (expense)/income	14	-6
Taxation ⁽⁵⁾	-3	11
Foreign currency translation	-10	-7
Total comprehensive income	-187	1
Share of non-controlling interests	-40	1
Comprehensive income attributable to Partners	-147	0

Structure Chart

Simplified Structure Chart of Shareholders, Subsidiaries & joint-ventures



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