



PRESS RELEASE

REI Habitat and AXA IM - Real Assets partnership creates major player in French forestry and timber construction market

November 4, 2020

REI Habitat and AXA Investment Managers - Real Assets ("AXA IM - Real Assets"), on behalf of one of its clients, today announce a partnership to accelerate REI Habitat Group's growth and development. The transaction involves AXA IM - Real Assets acquiring a 49% equity stake in REI Habitat with the partnership aiming to invest sustainably in the French forestry sector and to create long-term local jobs.

Active for more than 10 years in the timber construction and the French forestry sectors, REI Habitat is launching a national plan to scale up its activity and the use of French timber within the construction sector.

Through this partnership, REI Habitat group plans to develop more than 400,000 sqm of housing and offices in timber structures over the next 7 years in France. This would represent approximately 120,000 sqm of French timber; a significant increase in activity for the French forest-wood sector. The group's investment will aim to support the industrial development needed to structure the sector, and to start reversing its trade deficit.

The forest, a resource to be utilised

Forests in France make up 31% ⁽¹⁾ of the national territory, comprising 16.9 million hectares ⁽²⁾, and provide employment for 440,000 people ⁽³⁾ - the same as the automotive sector - however the sector has a balance of trade deficit of around €7 billion⁽⁴⁾. Wood harvesting is lower than the annual biological growth rate; the rate of extraction is currently 50% across more than 100 million sqm of annual growth ⁽⁵⁾. As such, this resource is being under-exploited while wood currently represents only 6% of the construction of collective housing in France ⁽⁶⁾.

Paul Jarquin, founder and CEO of REI Habitat commented: *"The main objective of this partnership is to create a "made in France" major. It will accelerate the use of local wood in real estate development and support the structuring of the French forestry and timber industry. It is an opportunity to build a real social project around forests."*

Isabelle Scemama, CEO of AXA IM Real - Assets added: *"This partnership with REI Habitat reflects our commitment to increasing the levels of wood used in property development. Our approach and objectives are fully aligned with those of REI Habitat, particularly in terms of responsible forest management, its protection and the preservation of biodiversity."*

Planting for the future

Concerned about the fragility of forest production, which is amplified by the rapid effects of global warming, REI Habitat and AXA IM - Real Assets, as well as all contributors to the establishment of this partnership - Gide Loyrette Nouel, Fairway, Accuracy and Edmond de Rothschild Corporate Finance - have agreed to donate part of the transaction fees in the form of sponsorship to the " *Plantons pour l'avenir* " fund. The purpose of this endowment fund, created and supported by professionals in the sector since 2014, as part of its public interest mission to protect the environment, is to support reforestation projects in France for sustainable management, as well as education and research projects.

REI Habitat, first PEFC-certified and 'Bois de France'-labeled developer

In September 2020, REI Habitat obtained the PEFC ⁽⁷⁾ certification (Programme for the Endorsement of Forest Certification schemes) for its wood control chain, and the 'Bois de France' (French Wood) label ⁽⁸⁾. On this occasion, REI Habitat created a co-development fund of 250,000 euros to support the upstream sector and guarantee the use of French timber. Thanks to this fund, REI Habitat is committed to subsidizing secondary processing companies (builders, carpenters) to guarantee the use of PEFC-certified and 'Bois de France' labeled wood. Additionally, this fund should enable the financing of builders' supplies in case of constraints within the local market. Finally, this fund is intended to set up cash flows adapted to prefabrication and to the needs of French wood construction companies.

¹ Source: Data France Bois Forêt (<https://franceboisforet.fr/la-foret/la-foret-francaise-en-chiffres/>)

² Source: Data France Bois Forêt (<https://franceboisforet.fr/la-foret/la-foret-francaise-en-chiffres/>)

³ Source : « La structuration de la filière forêt-bois, ses performances économiques et environnementales » ('The structuring of the forest-wood sector, its economic and environmental performances), report of the Cour des Comptes, 04/2020

⁴ « La structuration de la filière forêt-bois, ses performances économiques et environnementales » ('The structuring of the forest-wood sector, its economic and environmental performances), report of the Cour des Comptes, 04/2020

⁵ Source : Data French Ministry of Agriculture (<https://agriculture.gouv.fr/filiere-bois-qualites-du-bois-et-construction>)

⁶ Source : National survey of wood construction 2019 (Activité 2018), CODIFAB

⁷ Source : PEFC Chain of Custody Certification Certificate obtained on September 15, 2020 (certificate number 0001386)

⁸ Source : Certificate of commitment to the Bois de France brand obtained on September 7, 2020 (certificate number BF0052)

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Note to editors:

About REI Habitat

REI Habitat is an ecological real estate development group, specializing in the construction of collective buildings made in wooden structure since 2009. It historically established in the Ile-de-France region, and now also operates in Nantes, Lyon and Montpellier. As a committed group, REI Habitat offers a new art of living combining well-being, respect for the environment and solidarity, and intends to ensure the long-term development of the French forest-wood sector. By favouring local wood extracted from sustainably managed forests, by renewing forests through a reforestation strategy, REI Habitat renews forests as much as cities. REI Habitat is the first PEFC-certified and 'Bois de France' (French Wood) labeled developer.

REI Habitat Press kit:

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About AXA IM Alts and AXA IM - Real Assets

AXA IM Alts is one of the global leaders in alternative investments with €154 billion of assets under management as of end of June 2020⁽¹⁾, across real estate, infrastructure, private debt, structured finance and hedge funds. AXA IM Alts employs over 700 people located in 15 offices around the world and serve the needs of more than 300 clients from Europe, North America, Asia Pacific and Middle East. We are a global leader in real assets investment with €103 bn of assets under management, the number one property portfolio and asset manager in Europe⁽²⁾, and one of the largest worldwide.

1 Source: AXA IM - Real Assets' unaudited data. All figures as of June 2020.

2 Source: INREV Fund Manager Survey – May 2019 in terms of assets under management

About AXA Investment Managers

AXA Investment Managers (AXA IM) is an active, long-term, global, multi-asset investor. We work with clients today to provide the solutions they need to help build a better tomorrow for their investments, while creating a positive change for the world in which we all live. With approximately €815 billion in assets under management as at end of June 2020⁽¹⁾, AXA IM employs over 2,360 employees around the world and operates out of 28 offices across 20 countries. AXA IM is part of the AXA Group, a world leader in financial protection and wealth management.

1 Source: AXA IM's unaudited data. All figures as of June 2020.

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