

Press Release

FOM Real Estate Turns 25: a Fast-Growing Property Developer with In-House AIFM

- At the time of its 25-year anniversary, FOM reports a property development total of more than 4 billion euros
- Three investment asset pools in a combined value of over 300 million euros launched by FOM's own AIFM since the end of 2020
- Assets under management to grow to more than 1 billion euros over the next three years
- Andreas Stegmann, who recently joined FOM, will push forward with the institutional investor business

Cannes / Heidelberg, 17 March 2022 – FOM Real Estate Group (“FOM”), a German company that has prospered in the property development and asset management business for 25 years and in fund management for the past two years, is looking back on a successful 2021 financial year while planning to continue with its growth trajectory, especially in the fund business. Yesterday, at this year's MIPIM commercial real estate exhibition in Cannes, the company presented its plans along these lines. In addition to the property development and investment business that the Heidelberg-based company has pursued since 1997, its FOM Invest subsidiary has been setting up open-ended and closed-end property investment asset pools for institutional investors since the end of 2020. During its first year as the company's AIFM branch, FOM Invest already initiated three investment asset pools under German law. The goal is to bring the assets under management up to a total of more than 1 billion euros within a three-year period.

In addition, FOM intends to keep teaming up with partners to transact large-scale investments similar to the successful acquisition of the AOK Rheinland/Hamburg portfolio in 2021. The company has intensified its search for suitable co-investors and institutional investors outside Germany, too. To this end, it hired Andreas Stegmann, who joined the senior management team on 14 March 2022 to advance the company's international activities.

Prof. Reinhard Walter, the Managing Partner of FOM, said: “In addition to everything else we did in 2021, we demonstrated our capacity for sustained success as partner of institutional investors inside and outside Germany, both in the new-build development segment and in the

value-enhancing asset management of existing real estate. In the time since FOM Real Estate was established 25 years ago, we completed developments in a volume of more than 4 billion euros and a large number of showpiece investments. In FOM Invest, we moreover have a robust, outperforming platform for launching our own property funds in Germany. It will serve as our basis for pushing ahead with our institutional and semi-professional investor business in Germany and other countries in Europe.”

FOM Expands Investment Opportunities for Institutionals under “Manage-to-Core” Strategy

As a property developer with its own AIFM, FOM Invest offers institutional investors sustainable investment options in leading European investment markets under its “manage-to-core” strategy. For the investment vehicles of the company’s own AIFM company (German “KVG”), an asset portfolio worth more than 300 million euros was set up whose inventory offers significant potential for additional assets under management.

Among the assets acquired for the open-ended separate asset pool are, inter alia, three properties in Cologne and Düsseldorf that were acquired from the AOK Rheinland/Hamburg public health insurance as part of a real estate portfolio that consisted of 47 assets overall. From the SCP investor group, the company acquired a value-add portfolio that included four properties previously occupied by food retailer Real. The properties are located in northern and central Germany and have a lettable floor area of around 55,000 square metres. For the first closed-end separate asset pool designed by FOM, two properties, mainly occupied by offices, with a combined floor area of nearly 17,000 square metres, were acquired in Stuttgart.

“Article-8 Funds” in Planning

With the acquisitions completed so far, FOM Invest gives institutional investors a chance to buy into forward-looking and innovative fund concepts involving real estate with great potential for property and site optimisation, and to benefit from the in-house competence of the FOM Real Estate Group as a one-stop service. The cashflow and the resale value as well as the fund volume will be substantially increased through the transformation of properties under the “manage-to-core” strategy. This is accomplished primarily by acting on possibilities for development and expansions and by implementing conversion concepts.

Since sustainability in line with the ESG requirements is currently evolving into the single-most important investment criterion on the European capital investment market, FOM Invest focuses on so-called Article-8 or Article-9 funds. These will be aligned with environmental, social or societal aspects, and will concentrate on property investments and refurbishments as well as on the sustainably value-adding development potential of properties.

Dr. Bernd Wieberneit, Managing Director of FOM Invest, elaborated: “Concerns over ‘stranded assets’ are growing apace with the current boom in sustainability strategies in the real estate investment market. That is because many properties held in the portfolios of capital depositors are in need of active transformation. The way we keep assets from becoming obsolete is by repurposing and repositioning them and by applying our special ‘manage to ESG’ know-how to portfolio properties. Drawing on the long-term experience of FOM Real Estate Group with complex real estate projects, we will effectively reverse the trend in such cases, and offer institutional investors attractive returns and ESG compliant equity investment options within the framework of Article-8 or Article-9 funds in future.”

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About FOM Real Estate

FOM Real Estate is a manager-owned German company with a successful track record of 25 years in the property development and asset management business. Since 1997, FOM has successfully completed property developments in an aggregate volume of 4 billion euros. Among the investment partners of FOM are renowned institutional investors from inside and outside Germany. FOM Invest, the AIFM arm of the FOM Group, designs and launches special property funds in addition to seizing investment opportunities via individual mandates or club deals. FOM Invest is a fully licensed AIF manager (German

“KVG”) under the German Capital Investment Act (KAGB). In the time since 2020, FOM Invest has already launched three investment asset pools in a combined volume of over 300 million euros.